KUALA LUMPUR KEPONG BERHAD

197301001526 (15043-V)

Interim Financial Report
For the second quarter ended 31 March 2026

The Directors are pleased to announce the unaudited financial results of the Group for the second quarter ended 31 March 2026.

Condensed Consolidated Statement of Profit or Loss
For the second quarter ended 31 March 2026

(The figures have not been audited.)

	Individual Quarter 3 months ended 31 March			Cumulative Quarter 6 months ended 31 March		
	2026	2025	+/(-)	2026	2025	+/(-)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6,549,644	6,337,458	3.3	12,897,932	12,282,923	5.0
Operating expenses	(6,228,491)	(5,883,757)	5.9	(12,031,391)	(11,475,581)	4.8
Other operating income	204,781	(2,256)	N/M	372,097	181,622	*
Finance costs	(114,681)	(123,230)	(6.9)	(229,724)	(244,904)	(6.2)
Net impairment losses on financial assets	(360)	(3,282)	(89.0)	(1,640)	(2,306)	(28.9)
Share of results of associates	645	(57,977)	N/M	1,370	(55,094)	N/M
Share of results of joint ventures	(371)	2,967	N/M	(1,033)	7,279	N/M
Profit before taxation	411,167	269,923	52.3	1,007,611	693,939	45.2
Taxation	(94,610)	(98,982)	(4.4)	(263,883)	(260,607)	1.3
Net profit for the period	316,557	170,941	85.2	743,728	433,332	71.6
Attributable to:						
Equity holders of the Company	294,049	154,265	90.6	676,462	374,725	80.5
Non-controlling interests	22,508	16,676	35.0	67,266	58,607	14.8
	316,557	170,941	85.2	743,728	433,332	71.6
	Sen	Sen		Sen	Sen	
Earnings per share - basic	26.4	14.0		60.7	34.1	
Earnings per share - diluted	N/A	N/A		N/A	N/A	

* More than 100%
N/M - Not meaningful
N/A - Not applicable

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the year ended 30 September 2025.

Condensed Consolidated Statement of Other Comprehensive Income
For the second quarter ended 31 March 2026

(The figures have not been audited.)

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 6 months ended 31 March	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net profit for the period	316,557	170,941	743,728	433,332
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss				
Currency translation differences	(93,296)	(115,537)	(513,299)	159,414
Share of other comprehensive (loss)/ income in associates	(638)	20,625	(638)	20,625
	(93,934)	(94,912)	(513,937)	180,039
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instruments	174,062	17,673	67,384	42,912
Share of other comprehensive loss in associates	-	(10,881)	-	(10,881)
	174,062	6,792	67,384	32,031
Total other comprehensive income/(loss) for the period	80,128	(88,120)	(446,553)	212,070
Total comprehensive income for the period	396,685	82,821	297,175	645,402
Attributable to:				
Equity holders of the Company	377,682	82,680	252,744	594,642
Non-controlling interests	19,003	141	44,431	50,760
	396,685	82,821	297,175	645,402

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 September 2025.

Condensed Consolidated Statement of Financial Position
As at 31 March 2026
(The figures have not been audited.)

	31 March 2026 RM'000	30 September 2025 RM'000
Assets		
Property, plant and equipment	12,554,523	12,958,932
Right-of-use assets	1,453,644	1,454,467
Investment properties	170,980	114,628
Inventories	1,990,889	2,084,069
Goodwill on consolidation	364,290	375,302
Intangible assets	42,857	44,643
Investments in associates	3,057,278	2,113,086
Investment in a joint venture	51,104	55,245
Other investments	87,360	1,063,905
Other receivables	304,237	337,258
Deferred tax assets	486,230	502,895
Derivative financial assets	268	589
Total non-current assets	20,563,660	21,105,019
Inventories	4,505,087	4,102,627
Biological assets	164,994	241,502
Trade and other receivables	4,358,312	3,608,540
Contract assets	12,355	43,035
Tax recoverable	75,973	98,847
Derivative financial assets	145,559	45,711
Short term funds	11,135	11,605
Cash and cash equivalents	2,150,486	2,480,630
	11,423,901	10,632,497
Assets held for sale	-	68
Total current assets	11,423,901	10,632,565
Total assets	**31,987,561**	**31,737,584**
Equity		
Share capital	2,072,958	2,072,958
Reserves	11,992,389	12,192,509
	14,065,347	14,265,467
Less: Cost of treasury shares	(21,763)	(21,763)
Total equity attributable to equity holders of the Company	14,043,584	14,243,704
Non-controlling interests	1,184,501	1,242,987
Total equity	**15,228,085**	**15,486,691**
Liabilities		
Lease liabilities	385,992	342,068
Deferred income	60,401	64,646
Provision for retirement benefits	544,280	568,832
Borrowings	6,443,496	6,448,967
Deferred tax liabilities	1,054,301	1,094,283
Total non-current liabilities	8,488,470	8,518,796
Trade and other payables	2,166,619	2,098,684
Contract liabilities	255,952	203,377
Deferred income	8,346	8,349
Lease liabilities	15,209	17,061
Borrowings	5,460,316	5,245,820
Tax payable	78,603	128,400
Derivative financial liabilities	285,961	30,406
Total current liabilities	8,271,006	7,732,097
Total liabilities	**16,759,476**	**16,250,893**
Total equity and liabilities	**31,987,561**	**31,737,584**
Net assets per share attributable to equity holders of the Company (RM)	12.61	12.79

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 September 2025.

Condensed Consolidated Statement of Changes in Equity
For the second quarter ended 31 March 2026

(The figures have not been audited.)

	Attributable to the equity holders of the Company								
	Share capital	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Treasury shares	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2025	2,072,958	1,661,819	(447,752)	1,140,066	9,838,376	(21,763)	14,243,704	1,242,987	15,486,691
Net change in fair value of equity instruments	-	-	-	67,384	-	-	67,384	-	67,384
Transfer of reserves	-	3,252	-	-	(3,252)	-	-	-	-
Share of comprehensive loss in associates	-	-	(638)	-	-	-	(638)	-	(638)
Currency translation differences	-	(6,183)	(484,281)	-	-	-	(490,464)	(22,835)	(513,299)
Total other comprehensive (loss)/income for the period	-	(2,931)	(484,919)	67,384	(3,252)	-	(423,718)	(22,835)	(446,553)
Profit for the period	-	-	-	-	676,462	-	676,462	67,266	743,728
Total comprehensive (loss)/income for the period	-	(2,931)	(484,919)	67,384	673,210	-	252,744	44,431	297,175
Effect of changes in shareholdings in a subsidiary	-	-	(5,441)	-	(1,959)	-	(7,400)	(10,145)	(17,545)
Dividend paid - FY2025 final	-	-	-	-	(445,464)	-	(445,464)	-	(445,464)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(92,772)	(92,772)
Total transactions with owners of the Company	-	-	(5,441)	-	(447,423)	-	(452,864)	(102,917)	(555,781)
At 31 March 2026	2,072,958	1,658,888	(938,112)	1,207,450	10,064,163	(21,763)	14,043,584	1,184,501	15,228,085

Condensed Consolidated Statement of Changes in Equity
For the second quarter ended 31 March 2026

(Continued)

(The figures have not been audited.)

	Attributable to the equity holders of the Company								
	Share capital	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings	Treasury shares	Total	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 October 2024	1,737,015	1,656,534	(233,197)	851,944	9,714,102	(22,108)	13,704,290	1,302,642	15,006,932
Net change in fair value of equity instruments	-	-	-	42,912	-	-	42,912	-	42,912
Transfer of reserves	-	7,252	-	-	(7,252)	-	-	-	-
Share of comprehensive income/(loss) in associates	-	-	20,625	-	(10,881)	-	9,744	-	9,744
Currency translation differences	-	2,607	164,654	-	-	-	167,261	(7,847)	159,414
Total other comprehensive income/(loss) for the period	-	9,859	185,279	42,912	(18,133)	-	219,917	(7,847)	212,070
Profit for the period	-	-	-	-	374,725	-	374,725	58,607	433,332
Total comprehensive income for the period	-	9,859	185,279	42,912	356,592	-	594,642	50,760	645,402
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	2,942	2,942
Employees' share grant scheme	464	-	-	-	-	345	809	-	809
Issuance of new shares pursuant to dividend reinvestment plan	335,479	-	-	-	-	-	335,479	-	335,479
Dividend paid - FY2024 final	-	-	-	-	(438,578)	-	(438,578)	-	(438,578)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(95,537)	(95,537)
Total transactions with owners of the Company	335,943	-	-	-	(438,578)	345	(102,290)	(92,595)	(194,885)
At 31 March 2025	2,072,958	1,666,393	(47,918)	894,856	9,632,116	(21,763)	14,196,642	1,260,807	15,457,449

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 September 2025.

Condensed Consolidated Statement of Cash Flows
For the second quarter ended 31 March 2026
(The figures have not been audited.)

	6 months ended 31 March	
	2026	2025
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	1,007,611	693,939
Adjustment for non-cash flow items:		
Depreciation and amortisation	509,929	520,699
Surplus on government acquisition of land	(664)	(3,144)
Surplus on disposal of land	(126,848)	(2,341)
Share of results of associates, net of tax	(1,370)	55,094
Share of results of joint venture, net of tax	1,033	(7,279)
Other non-cash items	188,953	221,391
Non-operating items	185,519	193,830
Operating profit before working capital changes	1,764,163	1,672,189
Working capital changes:		
Net change in current assets	(1,076,207)	(1,261,779)
Net change in current liabilities	171,068	67,028
Cash generated from operations	859,024	477,438
Interest paid	(212,507)	(235,985)
Tax paid	(317,816)	(201,859)
Retirement benefits paid	(25,857)	(56,590)
Net cash generated from/(used in) operating activities	302,844	(16,996)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(397,903)	(520,240)
Purchase of right-of-use assets	(1,220)	(865)
Expenditure on land held for property development	(57,578)	(3,930)
Purchase of shares in a subsidiary, net of cash acquired	-	260
Purchase and subscription of shares in associates	(800)	(800)
Development of investment property	(56,362)	(15,623)
Purchase of intangible assets	(3,427)	(526)
Proceeds from disposal of property, plant and equipment	11,484	2,363
Compensation from government on land acquired	687	3,259
Proceeds from disposal of land	207,484	-
Advances to associates	(99,636)	(9,240)
Decrease/(Increase) in short term funds	46	(3,087)
Repayment from plasma project receivables	17,352	16,381
Dividends received from associates	5,775	5,992
Dividends received from investments	15,874	16,070
Interest received	27,556	29,683
Net cash used in investing activities	(330,668)	(480,303)

Condensed Consolidated Statement of Cash Flows
For the second quarter ended 31 March 2026

(Continued)
(The figures have not been audited.)

	6 months ended 31 March	
	2026	2025
	RM'000	RM'000
Cash Flows from Financing Activities		
Drawdowns of term loans	24,699	87,232
Repayment of term loans	(26,277)	(392,692)
Payments of lease liabilities	(6,273)	(11,905)
Payments of lease interest	(6,509)	(7,377)
Net drawdown of short term borrowings	314,969	1,251,572
Dividends paid to shareholders of the Company	(445,464)	(103,099)
Dividends paid to non-controlling interests	(92,772)	(95,537)
Purchase of shares from non-controlling interest	(17,545)	-
Issuance of shares to non-controlling interests	-	2,942
Net cash (used in)/generated from financing activities	(255,172)	731,136
Net (decrease)/increase in cash and cash equivalents	(282,996)	233,837
Cash and cash equivalents at 1 October	2,434,046	2,380,671
	2,151,050	2,614,508
Currency translation differences on opening balances	(43,274)	(746)
Cash and cash equivalents at 31 March	2,107,776	2,613,762
Cash and cash equivalents consist of:		
Cash and bank balances	1,110,651	1,317,162
Deposits with licensed banks	194,488	313,013
Money market funds	845,347	1,045,434
Bank overdrafts	(42,710)	(61,847)
	2,107,776	2,613,762

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 September 2025.

Notes to Interim Financial Report

A Explanatory Notes as required by MFRS 134 *Interim Financial Reporting*

A1. Basis of Preparation

The Interim Financial Report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("BMSB"). The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2025.

The accounting policies and methods of computation adopted by the Group in this Interim Financial Report are consistent with those adopted in the audited financial statements for the year ended 30 September 2025 except for the adoption of the following amendment to MFRS:

Amendments to MFRS effective for annual periods beginning on or after 1 January 2025

- *Lack of Exchangeability* (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates)*

The application of the above amendment to MFRS has no significant effect to the financial statements of the Group.

A2. Seasonal and Cyclical Factors

The Group's plantation and farming operations are affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A3. Unusual Items

There were no items affecting the assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A4. Changes in Estimates

There were no significant changes in the amount of estimates reported in prior interim periods or prior financial years that have a material effect in the current interim period.

A5. Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the quarter ended 31 March 2026.

A6. Dividends Paid

	6 months ended 31 March	
	2026	2025
	RM'000	RM'000
Dividend proposed in Year 2025, paid in Year 2026:		
Final single tier dividend 40 sen per share for financial year ended 30 September 2025 (single tier dividend of 40 sen per share for financial year ended 30 September 2024)	445,464	438,578

Notes to Interim Financial Report

(Continued)

For the final dividend of RM438,578,000 paid in Year 2025, RM335,479,000 was satisfied by the issuance of 17,214,040 new shares of the Company pursuant to the dividend reinvestment plan and the balance via cash payment of RM103,099,000.

Dividends are paid on the number of outstanding shares in issue and fully paid of 1,113,659,396 (2025: 1,096,445,356).

A7. Segment Information

Segment information is presented in respect of the Group's reportable segments which are based on the Group's management and internal reporting structure.

(a) Segment revenue and results

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 March 2026						
Revenue						
External revenue	1,492,952	11,137,637	53,848	213,495	-	12,897,932
Inter-segment revenue	1,574,574	16	-	105,903	(1,680,493)	-
Total revenue	3,067,526	11,137,653	53,848	319,398	(1,680,493)	12,897,932
Results						
Operating results	985,206	85,555	3,933	67,892	-	1,142,586
Interest income	14,550	7,648	1,950	22,832	(18,715)	28,265
Finance costs	(6,343)	(93,886)	(983)	(147,227)	18,715	(229,724)
Share of results of associates	88	1,322	(40)	-	-	1,370
Share of results of joint venture	-	(1,033)	-	-	-	(1,033)
Segment results	993,501	(394)	4,860	(56,503)	-	941,464
Corporate income						66,147
Profit before taxation						1,007,611

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 March 2025						
Revenue						
External revenue	1,814,365	10,177,737	83,777	207,044	-	12,282,923
Inter-segment revenue	1,305,192	3,220	-	95,947	(1,404,359)	-
Total revenue	3,119,557	10,180,957	83,777	302,991	(1,404,359)	12,282,923
Results						
Operating results	1,013,902	(17,877)	11,466	49,625	-	1,057,116
Interest income	20,510	8,687	1,391	23,209	(18,894)	34,903
Finance costs	(4,937)	(94,739)	(1,763)	(162,359)	18,894	(244,904)
Share of results of associates	3,224	5,030	(30)	(63,318)	-	(55,094)
Share of results of joint venture	-	7,279	-	-	-	7,279
Segment results	1,032,699	(91,620)	11,064	(152,843)	-	799,300
Corporate expense						(105,361)
Profit before taxation						693,939

Notes to Interim Financial Report
(Continued)

(b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 March 2026					
Operating assets	10,476,004	13,404,643	3,054,338	1,381,991	28,316,976
Associates	20,731	76,759	32,117	2,927,671	3,057,278
Joint venture	-	51,104	-	-	51,104
Segment assets	10,496,735	13,532,506	3,086,455	4,309,662	31,425,358
Tax assets					562,203
Total assets					31,987,561
As at 30 September 2025					
Operating assets	10,960,373	12,764,098	3,020,601	2,222,439	28,967,511
Associates	23,644	78,507	14,685	1,996,250	2,113,086
Joint venture	-	55,245	-	-	55,245
Segment assets	10,984,017	12,897,850	3,035,286	4,218,689	31,135,842
Tax assets					601,742
Total assets					31,737,584

(c) Segment liabilities

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 March 2026					
Segment liabilities	1,122,216	6,805,163	426,731	7,272,462	15,626,572
Tax liabilities					1,132,904
Total liabilities					16,759,476
As at 30 September 2025					
Segment liabilities	928,134	6,274,266	398,321	7,427,489	15,028,210
Tax liabilities					1,222,683
Total liabilities					16,250,893

A8. Event Subsequent to Reporting Date

There were no material events that arisen which have not been reflected in the interim report in the interval between the end of reporting period and the date of this report.

A9. Changes in the Composition of the Group

(a) On 30 March 2026, the Company’s wholly-owned subsidiary, KLK Emmerich GmbH had completed the acquisition of 10% equity interest in KLK Temix S.p.A (“Temix”) for a cash consideration of RM17.5 million. On completion of the acquisition, Temix is a wholly-owned subsidiary of the Group.

Notes to Interim Financial Report
(Continued)

(b) Following a reassessment as at 31 March 2026, MP Evans Group plc ("MP Evans") is accounted for as an associate of the Group, reflecting the Group's ability to exercise significant influence.

As at 31 March 2026, KLK holds a 24.28% equity interest in MP Evans, with the investment valued at RM1,012.2 million.

Other than as disclosed above, there were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations during the quarter under review.

A10. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the last annual reporting date.

A11. Capital Commitments

	31 March 2026	30 September 2025
	RM'000	RM'000
Capital expenditure		
Approved and contracted	317,673	298,611
Approved but not contracted	620,940	969,662
	938,613	1,268,273

A12. Significant Related Party Transactions

The significant related party transactions set out below were carried out in the normal course of business and on terms and conditions not more materially different from those obtainable in transactions with unrelated parties.

	6 months ended 31 March	
	2026	2025
	RM'000	RM'000
(i) Transactions with associates and joint ventures		
Sale of goods	176,582	200,158
Purchase of goods	848,359	1,073,002
Service charges paid	576	1,280
Research and development services paid	8,418	8,559

Notes to Interim Financial Report
(Continued)

		6 months ended 31 March	
		2026	2025
		RM'000	RM'000
(ii)	Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest		
	Sale of goods		
	Siam Taiko Marketing Co Ltd	584	965
	TMK Chemical Berhad	2,378	5,657
	Storage tanks rental received		
	TMK Chemical Berhad	1,392	1,272
	Purchases of goods		
	Borneo Taiko Clay Sdn Bhd	2,666	2,687
	Bukit Katho Estate Sdn Bhd	4,728	5,115
	CCM Chemicals Sdn Bhd	13,262	11,000
	Kampar Rubber & Tin Co Sdn Bhd	5,981	6,468
	Kekal & Deras Sdn Bhd	1,557	1,629
	Malay Rubber Plantations (M) Sdn Bhd	8,848	8,798
	PT Agro Makmur Abadi	42,428	60,775
	PT Java Taiko Mineralindo	749	1,707
	PT Safari Riau	23,790	24,666
	Taiko Acid Works Sdn Bhd	1,157	1,001
	Taiko Clay Marketing Sdn Bhd	3,619	2,700
	Taiko Drum Industries Sdn Bhd	1,729	2,470
	TMK Chemical Berhad	3,534	5,110
	Management fees paid		
	Farming Management Services Pty Ltd	1,592	1,613
	Aircraft operating expenses and management services paid		
	Smooth Route Sdn Bhd	834	3,127
(iii)	Transactions between subsidiaries and non-controlling interests		
	Sale of goods		
	Alami Commodities Sdn Bhd	107,556	11,918
	Mitsui & Co Ltd	94,956	95,716
	Mitsui & Co (Malaysia) Sdn Bhd	180,209	160,553
	Mitsui & Co (U.S.A.) Inc	21,738	18,203
	Purchases of goods		
	PT Tanjung Sarana Lestari	425,748	447,886
	Rental of land paid		
	PT Perkebunan Nusantara I	16,564	23,997

Notes to Interim Financial Report
(Continued)

B Explanatory Notes as required by the BMSB Revised Listing Requirement

B1. Analysis of Performance
2nd Quarter FY2026 vs 2nd Quarter FY2025

	Quarter Ended		
	31/03/2026	31/03/2025	+/(-)
	RM'000	RM'000	%
Revenue	6,549,644	6,337,458	3.3
Segment results			
Plantation	358,464	454,258	(21.1)
Manufacturing	(42,388)	(38,262)	10.8
Property development	1,859	3,518	(47.2)
Investment holding/Others	(19,393)	(94,787)	(79.5)
	298,542	324,727	(8.1)
Corporate income/(expense)	112,625	(54,804)	N/M
Profit before taxation	411,167	269,923	52.3

N/M - Not meaningful

The Group's 2nd quarter pre-tax profit rose 52.3% to RM411.2 million (2QFY2025: profit RM269.9 million) with revenue edging up marginally to RM6.550 billion (2QFY2025: RM6.337 billion).

Comments on the business segments are as follows:

Plantation
The Plantation segment's profit declined by 21.1% to RM358.5 million (2QFY2025: profit RM454.3 million) mainly due to the following factors:

- Weaker CPO and PK selling prices realised as follows:

	2QFY2026	2QFY2025	% Change
Crude Palm Oil (RM/mt ex-mill)	3,688	4,116	(10.4)
Palm Kernel (RM/mt ex-mill)	3,183	3,265	(2.5)

- Net loss of RM121.5 million (2QFY2025: net gain RM2.3 million) arising from the fair value changes on outstanding derivative contracts.

These negative variances more than offset the following positive factors:

- Higher CPO and PK sales volumes.
- Reduction in CPO production cost.
- Lower fair value loss of RM24.9 million (2QFY2025: loss RM53.4 million) from the valuation of unharvested fresh fruit bunches.

Notes to Interim Financial Report
(Continued)

<u>Manufacturing</u>
Despite higher revenue of RM5.704 billion (2QFY2025: RM5.420 billion), the Manufacturing segment recorded a wider loss of RM42.4 million (2QFY2025: loss RM38.3 million). The weaker performance in the current quarter was mainly dragged down by a decline in profit contribution from the Oleochemical division, partially mitigated by lower losses from the Refineries and Non-oleochemical divisions.

<u>Property Development</u>
The Property segment's profit fell by 47.2% to RM1.9 million (2QFY2025: profit RM3.5 million) on the back of lower revenue of RM25.7 million (2QFY2025: RM39.7 million).

<u>Investment Holding/Others</u>
This segment recorded a significantly lower loss of RM19.4 million (2QFY2025: loss RM94.8 million) mainly attributable to:

- Higher profit of RM40.7 million (2QFY2025: profit RM34.6 million) from the Farming sector.
- The absence of equity loss from an overseas associate, Synthomer plc, which amounted to RM63.3 million in the previous corresponding quarter.

<u>Corporate</u>
The net corporate income of RM112.6 million (2QFY2025: net expense RM54.8 million) comprised the following items:

- Foreign currency exchange loss of RM8.6 million (2QFY2025: loss RM40.0 million) from the translation of inter-company loans denominated in foreign currencies.
- Surplus of RM126.3 million (2QFY2025: surplus RM3.9 million) from the sale of land and government acquisitions.
- Surplus of RM7.3 million (2QFY2025: Nil) from the disposal of an aircraft.

Todate 2nd Quarter FY2026 vs Todate 2nd Quarter FY2025

	Todate Ended		
	31/03/2026	31/03/2025	+/(-)
	RM'000	RM'000	%
Revenue	12,897,932	12,282,923	5.0
Segment results			
Plantation	993,501	1,032,699	(3.8)
Manufacturing	(394)	(91,620)	(99.6)
Property development	4,860	11,064	(56.1)
Investment holding/Others	(56,503)	(152,843)	(63.0)
	941,464	799,300	17.8
Corporate income/(expense)	66,147	(105,361)	N/M
Profit before taxation	1,007,611	693,939	45.2

N/M - Not meaningful

Notes to Interim Financial Report
(Continued)

The Group's todate profit surged 45.2% to RM1.008 billion (Todate 2QFY2025: profit RM693.9 million) underpinned by a 5.0% increase in revenue to RM12.898 billion (Todate 2QFY2025: RM12.283 billion).

Comments on various business segments are as follows:

Plantation
The Plantation segment's profit eased slightly to RM993.5 million (Todate 2QFY2025: profit RM1.033 billion) primarily attributable to:

- Lower CPO selling price of RM3,770/mt ex-mill (Todate 2QFY2025: RM4,063/mt ex-mill).
- Higher net loss of RM100.5 million (Todate 2QFY2025: net loss RM7.5 million) from the fair value changes on outstanding derivative contracts.
- Higher fair value loss of RM21.9 million (Todate 2QFY2025: loss RM18.7 million) arising from the valuation of unharvested fresh fruit bunches.

However, the decrease in profit was partially cushioned by:

- Stronger PK selling price of RM3,213/mt ex-mill (Todate 2QFY2025: RM3,076/mt ex-mill).
- Increase in CPO and PK sales volumes.
- Lower CPO production cost.

Manufacturing
Revenue improved to RM11.138 billion (Todate 2QFY2025: RM10.178 billion), whereas the Manufacturing segment reported a markedly reduced loss of RM394,000 (Todate 2QFY2025: loss RM91.6 million). The substantial improvement in results was mainly driven by significantly lower losses from the Refineries and Non-oleochemical divisions, partially offset by a lower profit contribution from the Oleochemical division.

Property Development
The Property segment's profit slid to RM4.9 million (Todate 2QFY2025: profit RM11.1 million), underpinned by lower revenue of RM53.8 million (Todate 2QFY2025: RM83.8 million).

Investment Holding/Others
This segment recorded a substantially lower loss of RM56.5 million (Todate 2QFY2025: loss RM152.8 million) mainly due to:

- Higher profit of RM52.1 million (Todate 2QFY2025: profit RM34.8 million) from the Farming sector.
- The previous year had included a share of equity loss of RM63.3 million from an overseas associate, Synthomer plc.

Notes to Interim Financial Report
(Continued)

Corporate
The net corporate income of RM66.1 million (Todate 2QFY2025: net expense RM105.4 million) mainly arose from:

- Lower foreign currency exchange loss of RM32.2 million (Todate 2QFY2025: loss RM73.9 million) from the translation of inter-company loans denominated in foreign currencies.
- Higher surplus of RM127.5 million (Todate 2QFY2025: surplus RM5.5 million) from the sale of land and government acquisitions.
- Surplus of RM7.3 million (Todate 2QFY2025: Nil) from the disposal of an aircraft.

B2. Variation of Results to Immediate Preceding Quarter

2nd Quarter FY2026 vs 1st Quarter FY2026

	Current Quarter Ended 31/03/2026	Immediate Preceding Quarter Ended 31/12/2025	+/(-)
	RM'000	RM'000	%
Revenue	6,549,644	6,348,288	3.2
Segment results			
Plantation	358,464	635,037	(43.6)
Manufacturing	(42,388)	41,994	N/M
Property development	1,859	3,001	(38.1)
Investment holding/Others	(19,393)	(37,110)	(47.7)
	298,542	642,922	(53.6)
Corporate income/(expense)	112,625	(46,478)	N/M
Profit before taxation	411,167	596,444	(31.1)

N/M - Not meaningful

Despite revenue increasing to RM6.550 billion (1QFY2026: RM6.348 billion), the Group 2nd quarter profit before taxation fell by 31.1% to RM411.2 million (1QFY2026: profit RM596.4 million).

Plantation
The Plantation segment's profit slid 43.6% to RM358.5 million (1QFY2026: profit RM635.0 million) mainly attributable to:

- Lower realised CPO and PK selling prices, as follows:

	2QFY2026	1QFY2026	% Change
Crude Palm Oil (RM/mt ex-mill)	3,688	3,845	(4.1)
Palm Kernel (RM/mt ex-mill)	3,183	3,239	(1.7)

- Lower CPO and PK sales volumes.
- Increase in CPO production cost.
- Fair value loss of RM24.9 million (1QFY2026: gain RM3.0 million) from the valuation of unharvested fresh fruit bunches.
- Net loss of RM121.5 million (1QFY2026: net gain RM20.9 million) from the fair value changes on outstanding derivative contracts.

Notes to Interim Financial Report
(Continued)

Manufacturing
Notwithstanding higher revenue of RM5.704 billion (1QFY2026: RM5.434 billion), the Manufacturing segment reported a loss of RM42.4 million (1QFY2026: profit RM42.0 million) owing to lower profit contribution from the Oleochemical division and losses incurred by the Refineries.

Property Development
The Property's profit dipped 38.1% to RM1.9 million (1QFY2026: profit RM3.0 million) while revenue declined to RM25.7 million (1QFY2026: RM28.2 million).

Investment Holding/Others
This segment recorded a lower loss of RM19.4 million (1QFY2026: loss RM37.1 million) mainly aided by higher profit of RM40.7 million (1QFY2026: profit RM11.4 million) from the Farming sector.

Corporate
The net corporate income of RM112.6 million, compared to the preceding quarter's net expense of RM46.5 million mainly due to:

- Lower foreign currency exchange loss of RM8.6 million (1QFY2026: loss RM23.7 million) from the translation of inter-company loans denominated in foreign currencies.
- A sharp rise in surplus of RM126.3 million (1QFY2026: surplus RM1.2 million) from the sale of land and government acquisitions.
- Surplus of RM7.3 million (1QFY2026: Nil) from the disposal of an aircraft.

Notes to Interim Financial Report
(Continued)

B3. Prospects

The Group posted Profit After Tax and Minority Interests ("PATAMI") of RM294.0 million for the current quarter, bringing year-to-date ("YTD") PATAMI to RM676.5 million (YTD Q2FY2025: RM374.7 million). The higher performance was mainly attributable to improved results from the Manufacturing segment as well as land sales amounting to RM126.8 million. The share of losses from its associate, Synthomer plc, will only be reflected in the next quarter. The Group will benefit from the initial recognition of equity accounting for its 24.3% associate, M.P. Evans Group PLC.

CPO prices strengthened during the quarter, recovering from earlier lows of approximately RM3,900/mt in January to briefly peaking above RM4,800/mt towards end-March. This was supported by higher biodiesel blending mandates amid elevated crude oil prices. Looking ahead, prices are expected to be supported above RM4,400/mt.

The Group's Plantation segment recorded a largely stable performance, with YTD pre-tax profit marginally lower by 3.8% at RM993.5 million compared to the previous year. The Group had forward-sold a substantial portion of its Malaysian production in the derivatives market, resulting in higher mark-to-market losses on the derivative contracts when CPO prices spiked. Performance was also affected by lower average CPO selling prices, partly offset by stronger average PK selling prices, higher CPO and PK sales volumes, and lower CPO production costs. Overall, performance is expected to remain stable, supported by healthy production levels, notwithstanding the potential operational disruptions amid the conflict in the Middle East.

The Manufacturing segment recorded improved results with YTD pre-tax loss of RM394,000, compared to a pre-tax loss of RM91.6 million in the corresponding period last year. The Oleochemical sub-segment remains profitable, reflecting improved demand and sales volumes, although margins continue to be thin. This was partly supported by supply disruptions in the global market, which enhanced the competitiveness of palm-based products. Non-oleochemical operations continue to be loss-making, while losses in the refinery and kernel crushing plants have narrowed significantly. Nevertheless, margins across the segment remain competitive, amid elevated feedstock and utility costs.

Supported by resilient Plantation operations and improving downstream contributions, the Group remains optimistic of delivering an improved operational performance for the financial year.

B4. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial year-to-date.

Notes to Interim Financial Report
(Continued)

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
Malaysian taxation	52,113	41,112	114,047	106,852
Overseas taxation	71,878	71,009	171,444	179,732
	123,991	112,121	285,491	286,584
(Over)/Under provision in respect of previous year				
Malaysian taxation	(41)	(11)	(111)	(734)
Overseas taxation	7,916	4,632	10,379	6,103
	7,875	4,621	10,268	5,369
	131,866	116,742	295,759	291,953
Deferred tax				
Origination and reversal of temporary differences	(37,107)	(23,940)	(32,410)	(36,796)
(Over)/Under provision in respect of previous year	(149)	6,180	534	5,450
	(37,256)	(17,760)	(31,876)	(31,346)
Total	94,610	98,982	263,883	260,607
Profit before taxation	411,167	269,923	1,007,611	693,939
Tax at Malaysian income tax rate of 24% (FY2025: 24%)	98,680	64,781	241,827	166,545
Effect of different tax rates in foreign jurisdictions	50	23	(6,725)	(9,382)
Withholding tax on foreign dividend and interest income	12,213	14,804	25,954	30,178
Expenses not deductible for tax purposes	8,772	7,500	38,174	45,148
Tax exempt and non-taxable income	(31,941)	(3,911)	(43,891)	(21,602)
Tax incentives	(7,733)	(12,339)	(9,432)	(14,528)
Deferred tax assets not recognised during the period	16,291	12,202	18,591	33,123
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(9,335)	(6,490)	(11,644)	(7,519)
Tax effect on associates' and joint ventures' results	(66)	13,203	(81)	11,476
Tax on foreign source income remitted which previously exempted	-	(1,589)	-	15,980
Under provision of tax expense in respect of previous year	7,875	4,621	10,268	5,369
(Over)/Under provision of deferred tax in respect of previous year	(149)	6,180	534	5,450
Others	(47)	(3)	308	369
Tax expense	94,610	98,982	263,883	260,607

Notes to Interim Financial Report
(Continued)

B6. Status of Corporate Proposals Announced
There were no corporate proposals announced.

B7. Group Borrowings
As at the end of the reporting period, the Group's borrowings were as follows:

	As at 31 March 2026								
	Long Term			Short Term			Total Borrowings		
	Foreign Denomination		RM Denomination	Foreign Denomination		RM Denomination	Foreign Denomination		RM Denomination
		'000	'000		'000	'000		'000	'000
Unsecured									
Bank overdrafts		-	-	Euro	9,130	42,710	Euro	9,130	42,710
Revolving credit		-	-	Euro	160,000	747,550	Euro	160,000	747,550
		-	-	AUD	9,750	27,242	AUD	9,750	27,242
		-	-	GBP	41,700	223,304	GBP	41,700	223,304
		-	-	USD	19,673	79,660	USD	19,673	79,660
		-	-	Rp	950,000,000	226,385	Rp	950,000,000	226,385
		-	-		-	151,000		-	151,000
Trade financing		-	-	USD	54,229	219,574	USD	54,229	219,574
		-	-	Euro	98,154	459,166	Euro	98,154	459,166
		-	-	Rmb	637,650	374,237	Rmb	637,650	374,237
		-	-	Rp	302,028,561	71,973	Rp	302,028,561	71,973
		-	-		-	1,219,644		-	1,219,644
Term loans	Euro	1,324	6,193	Euro	306	1,429	Euro	1,630	7,622
	AUD	1,734	4,846	AUD	4,307	12,035	AUD	6,041	16,881
		-	1,782,457		-	138,000		-	1,920,457
Export credit refinancing		-	-		-	2,466		-	2,466
Bankers' acceptance		-	-	USD	6,000	24,294	USD	6,000	24,294
		-	-		-	939,647		-	939,647
Islamic medium term notes		-	4,650,000		-	500,000		-	5,150,000
Total			6,443,496			5,460,316			11,903,812

	As at 31 March 2025								
	Long Term			Short Term			Total Borrowings		
	Foreign Denomination		RM Denomination	Foreign Denomination		RM Denomination	Foreign Denomination		RM Denomination
		'000	'000		'000	'000		'000	'000
Secured									
Term loans	Euro	348	1,673	Euro	3,523	16,925	Euro	3,871	18,598
Unsecured									
Bank overdrafts		-	-	Euro	12,872	61,847	Euro	12,872	61,847
Revolving credit		-	-	Euro	102,000	490,265	Euro	102,000	490,265
		-	-	AUD	8,500	23,716	AUD	8,500	23,716
		-	-	GBP	61,000	350,323	GBP	61,000	350,323
	USD	2,100	9,323	USD	42,880	190,285	USD	44,980	199,608
		-	-		-	142,000		-	142,000
Trade financing		-	-	USD	103,157	457,757	USD	103,157	457,757
		-	-	Euro	65,204	313,307	Euro	65,204	313,307
		-	-	Rmb	480,819	293,780	Rmb	480,819	293,780
		-	-	Rp	334,052,612	89,526	Rp	334,052,612	89,526
		-	-		-	1,478,698		-	1,478,698
Term loans	Euro	1,951	9,377	Euro	30,493	146,518	Euro	32,444	155,895
		-	-	AUD	2,717	7,581	AUD	2,717	7,581
		-	1,924,250		-	120,000		-	2,044,250
Bankers' acceptance		-	-		-	590,119		-	590,119
Islamic medium term notes		-	4,500,000		-	1,100,000		-	5,600,000
Total			6,444,623			5,872,647			12,317,270

	As at 31 March	
Exchange Rates Applied	2026	2025
USD / RM	4.0490	4.4375
Euro / RM	4.6780	4.8050
Rp1,000 / RM	0.2383	0.2680
Rmb / RM	0.5869	0.6110
GBP / RM	5.3550	5.7430
AUD / RM	2.7940	2.7901

Notes to Interim Financial Report
(Continued)

B8. Derivative Financial Instruments

The forward foreign exchange contracts are entered into by the Group as hedges for committed sales and purchases denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group to fluctuations in foreign exchange on receipts and payments.

The commodity future contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the vegetable oil commodities.

The interest rate swap contracts are entered into to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuations in interest rates on underlying debt instruments.

As at 31 March 2026, the values and maturity analysis of the outstanding derivatives are as follows:

	Derivatives	Contract/Notional Value Net long/(short)	Fair value Net gains/(losses)
		RM'000	RM'000
(i)	Forward foreign exchange contracts		
	- Less than 1 year	(2,719,889)	(27,520)
(ii)	Commodity futures contracts		
	- Less than 1 year	(84,178)	(112,928)
(iii)	Interest rate swap contracts		
	- Less than 1 year	1,429	46
	- 1 year to 3 years	4,129	179
	- More than 3 years	2,064	89

The above derivative contracts are recognised at fair value on contract dates and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.

For the period ended 31 March 2026, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Since the previous financial year, there have been no changes to the Group's risk management objectives, policies and processes.

B9. Fair Value Changes of Financial Liabilities

The Group does not have any financial liabilities which are measured at fair value through profit or loss except for derivative financial instruments.

B10. Material Litigation

There was no pending material litigation as at the date of this report.

Notes to Interim Financial Report
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B11. Dividend

(a) An interim single tier dividend of 20 sen (2025: 20 sen) per share has been authorised by the Directors in respect of the financial year ending 30 September 2026 and will be paid to the shareholders on 28 July 2026. The entitlement date for the dividend shall be 10 July 2026.

A Depositor with Bursa Malaysia Depository Sdn Bhd shall qualify for the entitlement to the dividend only in respect of:

(i) Securities transferred into the Depositor's Securities Account before 4.30 p.m. on 10 July 2026 in respect of transfers;

(ii) Securities deposited into the Depositor's Securities Account before 12.30 p.m. on 8 July 2026 in respect of securities exempted from mandatory deposit; and

(iii) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

(b) The total dividend paid for the current financial year to-date is single tier dividend of 20 sen (2025: 20 sen) per share.

B12. Earnings Per Share

Basic earnings per share

The earnings per share is calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of shares of the Company in issue during the period.

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2026	2025	2026	2025
(a) Net profit for the period attributable to equity holders of the Company (RM'000)	294,049	154,265	676,462	374,725
(b) Weighted average number of shares	1,113,659,396	1,102,941,275	1,113,659,396	1,099,637,258
(c) Earnings per share (sen)	26.4	14.0	60.7	34.1

B13. Audit Report

The audit report for the financial year ended 30 September 2025 was not subject to any qualifications.

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(Continued)

B14. Profit Before Taxation

Profit before taxation is arrived at after charging and (crediting) the following:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		6 months ended 31 March	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Interest income	(13,319)	(17,368)	(28,265)	(34,903)
Other income including dividend income	(42,695)	(22,433)	(91,586)	(71,690)
Interest expense	114,681	123,230	229,724	244,904
Depreciation and amortisation	254,469	260,166	509,929	520,699
Provision for and write-off of receivables	360	3,282	1,643	2,306
(Write-back)/Provision for and write-off of inventories	(25,283)	(15,270)	4,290	(372)
Surplus on disposal of land	(125,673)	(1,773)	(126,848)	(2,341)
Surplus on government acquisition of land	(647)	(2,168)	(664)	(3,144)
Foreign exchange (gain)/loss	(73,751)	69,381	(51,186)	15,703
Loss on derivatives	207,739	34,379	111,186	252,238
Exceptional items	-	-	-	-

By Order of the Board
CHANG POOI YEE
Company Secretary

18 May 2026