

BATU KAWAN BERHAD

196501000504 (6292-U)
(Incorporated in Malaysia)

**Interim Financial Report
for the First Quarter ended 31 December 2025**

Directors are pleased to announce the unaudited financial results of the Group for the first quarter ended 31 December 2025.

Condensed Consolidated Statement of Profit or Loss For the First Quarter ended 31 December 2025

(The figures have not been audited.)

	Individual Quarter			Cumulative Quarter		
	3 months ended		+/(-) %	3 months ended		+/(-) %
	31 December			31 December		
	2025	2024		2025	2024	
	RM'000	RM'000		RM'000	RM'000	
Revenue	6,510,856	6,123,630	6.3	6,510,856	6,123,630	6.3
Operating expenses	(5,964,742)	(5,755,067)	3.6	(5,964,742)	(5,755,067)	3.6
Other operating income	174,832	200,941	(13.0)	174,832	200,941	(13.0)
Finance costs	(120,423)	(127,073)	(5.2)	(120,423)	(127,073)	(5.2)
Net (impairment losses) / reversals of impairment on financial assets	(2,236)	1,025	N/M	(2,236)	1,025	N/M
Share of results of associates	2,234	4,996	(55.3)	2,234	4,996	(55.3)
Share of results of joint ventures	(1,480)	3,021	N/M	(1,480)	3,021	N/M
Profit before taxation	599,041	451,473	32.7	599,041	451,473	32.7
Taxation	(173,973)	(166,581)	4.4	(173,973)	(166,581)	4.4
NET PROFIT FOR THE PERIOD	425,068	284,892	49.2	425,068	284,892	49.2
Profit attributable to:						
Equity holders of the Company	182,362	127,598	42.9	182,362	127,598	42.9
Non-controlling interests	242,706	157,294	54.3	242,706	157,294	54.3
	425,068	284,892	49.2	425,068	284,892	49.2
Earnings per share for profit attributable to equity holders of the Company (sen)						
Basic	46.9	32.7		46.9	32.7	
Diluted	N/A	N/A		N/A	N/A	

N/M - Not meaningful

N/A - Not applicable

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

Condensed Consolidated Statement of Other Comprehensive Income For the First Quarter ended 31 December 2025

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 December		31 December	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	425,068	284,892	425,068	284,892
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss				
Currency translation differences	(423,060)	270,170	(423,060)	270,170
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instrument	(107,385)	24,699	(107,385)	24,699
Total other comprehensive (loss)/income for the period	(530,445)	294,869	(530,445)	294,869
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(105,377)	579,761	(105,377)	579,761
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(66,688)	263,060	(66,688)	263,060
Non-controlling interests	(38,689)	316,701	(38,689)	316,701
	(105,377)	579,761	(105,377)	579,761

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

Condensed Consolidated Statement of Financial Position As at 31 December 2025

(The figures have not been audited.)

	At 31 December 2025	At 30 September 2025
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	12,904,589	13,207,145
Right-of-use assets	1,428,353	1,460,400
Investment properties	147,408	121,480
Inventories	1,966,050	2,084,069
Goodwill on consolidation	447,778	456,400
Intangible assets	43,878	50,802
Investments in associates	2,099,130	2,144,568
Investments in joint ventures	266,269	271,356
Other investments	1,093,760	1,227,317
Other receivables	312,395	337,258
Deferred tax assets	494,009	505,758
Derivative financial assets	293	589
	21,203,912	21,867,142
Current assets		
Inventories	4,819,198	4,202,390
Biological assets	190,148	241,502
Trade and other receivables	4,331,527	3,740,588
Contract assets	39,308	43,035
Tax recoverable	121,628	110,426
Derivative financial assets	126,987	45,711
Short term funds	56,857	116,028
Cash and cash equivalents	2,786,693	2,749,508
	12,472,346	11,249,188
Assets held for sale	68	68
	12,472,414	11,249,256
TOTAL ASSETS	33,676,326	33,116,398

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

Condensed Consolidated Statement of Financial Position As at 31 December 2025

(The figures have not been audited.)

	At 31 December 2025	At 30 September 2025
	RM'000	RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	2,282,160	2,182,201
Contract liabilities	172,557	203,377
Deferred income	8,346	8,349
Lease liabilities	16,164	19,800
Borrowings	5,942,352	5,249,265
Tax payable	115,142	132,021
Derivative financial liabilities	42,021	30,406
Dividend payable	424,709	-
	9,003,451	7,825,419
Net current assets	3,468,963	3,423,837
Non-current liabilities		
Deferred tax liabilities	1,109,616	1,111,212
Lease liabilities	341,980	342,161
Deferred income	62,499	64,646
Provision for retirement benefits	559,357	577,975
Derivative financial liabilities	408	-
Borrowings	6,947,011	6,953,638
	9,020,871	9,049,632
Total liabilities	18,024,322	16,875,051
Net assets	15,652,004	16,241,347
Equity attributable to owners of the Company		
Share capital	507,587	507,587
Reserves	7,000,980	7,264,507
	7,508,567	7,772,094
Less: Cost of treasury shares	(214,785)	(202,737)
Total equity attributable to equity holders of the Company	7,293,782	7,569,357
Non-controlling interests	8,358,222	8,671,990
Total equity	15,652,004	16,241,347
TOTAL EQUITY AND LIABILITIES	33,676,326	33,116,398
Net assets per share attributable to equity holders of the Company (RM)	18.79	19.47

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

Condensed Consolidated Statement of Changes in Equity For the First Quarter ended 31 December 2025

(The figures have not been audited.)

	← Attributable to equity holders of the Company →						Non-controlling interests	Total equity	
	Share capital	Treasury shares	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2025	507,587	(202,737)	937,451	(218,303)	771,754	5,773,605	7,569,357	8,671,990	16,241,347
Total comprehensive loss/(income) for the period	-	-	(1,363)	(194,014)	(52,202)	180,891	(66,688)	(38,689)	(105,377)
Transactions with owners:									
Effect of changes in shareholdings in subsidiaries	-	-	-	-	-	(2,749)	(2,749)	(5,346)	(8,095)
Shares buy back	-	(12,048)	-	-	-	-	(12,048)	-	(12,048)
Dividend payable - FY2025 final	-	-	-	-	-	(194,090)	(194,090)	-	(194,090)
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	(230,619)	(230,619)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(39,114)	(39,114)
	-	(12,048)	-	-	-	(196,839)	(208,887)	(275,079)	(483,966)
At 31 December 2025	507,587	(214,785)	936,088	(412,317)	719,552	5,757,657	7,293,782	8,358,222	15,652,004

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

Condensed Consolidated Statement of Changes in Equity For the First Quarter ended 31 December 2025

(The figures have not been audited.)

	← Attributable to equity holders of the Company →						Non- controlling interests	Total equity	
	Share capital	Treasury shares	Capital reserve	Exchange fluctuation reserve	Fair value reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 October 2024	507,587	(136,919)	932,322	(143,919)	632,839	5,582,844	7,374,754	8,503,620	15,878,374
Total comprehensive income for the period	-	-	4,943	121,640	11,556	124,921	263,060	316,701	579,761
Transactions with owners:									
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	2,942	2,942
Effect of changes in shareholdings in subsidiaries	-	-	-	-	-	(5,073)	(5,073)	(8,805)	(13,878)
Shares buy back	-	(43,425)	-	-	-	-	(43,425)	-	(43,425)
Dividend payable - FY2024 final	-	-	-	-	-	(155,989)	(155,989)	-	(155,989)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(228,184)	(228,184)
Dividends payable to non-controlling interests	-	-	-	-	-	-	-	(41,222)	(41,222)
	-	(43,425)	-	-	-	(161,062)	(204,487)	(275,269)	(479,756)
At 31 December 2024	507,587	(180,344)	937,265	(22,279)	644,395	5,546,703	7,433,327	8,545,052	15,978,379

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

Condensed Consolidated Statement of Cash Flows As at 31 December 2025

(The figures have not been audited.)

	3 months ended 31 December	
	2025	2024
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	599,041	451,473
Adjustments for:		
Non-cash items	301,202	411,457
Non-operating items	88,135	89,460
Operating cash flows before changes in working capital	988,378	952,390
Changes in working capital		
Net change in current assets	(1,219,876)	(1,088,736)
Net change in current liabilities	63,038	170,643
Cash flows (used in)/generated from operations	(168,460)	34,297
Interest received	3,744	2,879
Interest paid	(65,482)	(62,342)
Tax paid	(193,548)	(133,400)
Retirement benefits paid	(12,009)	(45,998)
Net cash flows used in from operating activities	(435,755)	(204,564)
Cash flows from investing activities		
Purchase of property, plant and equipment	(215,197)	(287,322)
Purchase of right-of-use assets	(379)	(686)
Property development expenditure	(32,740)	(3,632)
Purchase of shares in associates	(800)	(800)
Increase in investment in joint ventures	(2,617)	(3,218)
Development of investment property	(25,936)	(8,254)
Purchase of intangible assets	(2,324)	(265)
Proceeds from disposal of property, plant and equipment	1,216	848
Compensation from government on land acquired	17	1,047
Proceeds from disposal of other investments	-	153
Advances to associates	(10,175)	(9,240)
Capital distribution from an investment	2,999	-
(Advances to)/Repayment from joint ventures	(4,936)	13,760
Repayment from/(Advances to) investee companies	1,227	(18,143)
Net withdrawal/(placement) of short term funds	60,265	(35,882)
Repayment from plasma project receivables	11,886	10,505
Dividends received	18,672	19,777
Interest received	12,959	15,475
Net cash flows used in investing activities	(185,863)	(305,877)

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

Condensed Consolidated Statement of Cash Flows As at 31 December 2025

(The figures have not been audited.)

	3 months ended 31 December	
	2025	2024
	RM'000	RM'000
Cash flows from financing activities		
Drawdown of term loans	17,935	4,409
Repayment of term loans	(6,682)	(329,350)
Lease payments	(7,494)	(6,195)
Net drawdown of short term borrowings	659,953	1,062,030
Dividends paid to non-controlling interests	(39,114)	(41,222)
Shares buy back	(12,048)	(43,425)
Purchase of shares from non-controlling interests	(8,095)	(13,878)
Issuance of shares to non-controlling interests	-	2,942
Net cash flows generated from financing activities	604,455	635,311
Net (decrease)/increase in cash and cash equivalents	(17,163)	124,870
Effects of exchange rate changes	(40,911)	31,046
Cash and cash equivalents at beginning of year	2,702,924	2,783,163
Cash and cash equivalents at end of year	2,644,850	2,939,079
Cash and cash equivalents at 31 December is represented by:		
Deposits with licensed banks	315,747	314,985
Money market funds	1,390,640	1,290,153
Cash and bank balances	1,080,306	1,344,834
Bank overdrafts	(141,843)	(10,893)
	2,644,850	2,939,079

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

Notes to Interim Financial Report

A. Explanatory Notes as required by Malaysian Financial Reporting Standard (“MFRS”) 134

A1. Statement of compliance

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 Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements.

A2. Accounting policies

The Interim Financial 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 Amendments to MFRS 121, *Lack of Exchangeability* (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*) that are effective for financial statements beginning on 1 October 2025.

This Amendment had no impact on the consolidated financial statements of the Group as the Group was not exposed to any non-exchangeable currencies as at the reporting date.

A3. Seasonal and cyclical operations

The Group’s plantation and farming operations are affected by seasonal crop production, weather conditions and fluctuations in commodity prices.

A4. 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.

A5. Material changes in estimates

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

A6. Issuance and repayment of debt and equity securities

There were no issuances and repayments of debt securities, share buybacks, share cancellations or resale of treasury shares for the financial year to-date except for share buybacks of 627,700 shares in the Company from the open market. The average price paid for the shares repurchased was RM19.15 per share and the total consideration paid, including transaction costs, was RM12.05 million. The shares bought back were financed by internally generated funds and held as treasury shares.

A7. Dividends paid

No dividend had been paid during the current quarter ended 31 December 2025 (31 December 2024: Nil).

A8. 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 RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
3 months ended						
31 December 2025						
Revenue						
External revenue	795,184	5,593,746	28,170	93,756	-	6,510,856
Inter-segment revenue	857,924	30,042	-	87,420	(975,386)	-
Total revenue	1,653,108	5,623,788	28,170	181,176	(975,386)	6,510,856
Results						
Operating results	643,626	102,724	3,538	(22,876)	(8,302)	718,710
Finance costs	(3,208)	(45,035)	(520)	(79,962)	8,302	(120,423)
Share of results of: associates	181	2,096	(17)	(26)	-	2,234
Share of results of joint ventures	-	(662)	-	(818)	-	(1,480)
Segment results	640,599	59,123	3,001	(103,682)	-	599,041
Profit before taxation						<u>599,041</u>
3 months ended						
31 December 2024						
Revenue						
External revenue	1,062,789	4,930,229	44,088	86,524	-	6,123,630
Inter-segment revenue	614,369	26,116	-	73,691	(714,176)	-
Total revenue	1,677,158	4,956,345	44,088	160,215	(714,176)	6,123,630
Results						
Operating results	585,019	2,411	8,312	(14,757)	(10,456)	570,529
Finance costs	(2,522)	(43,844)	(750)	(90,413)	10,456	(127,073)
Share of results of: associates	2,578	2,471	(16)	(37)	-	4,996
Share of results of joint ventures	-	4,312	-	(1,291)	-	3,021
Segment results	585,075	(34,650)	7,546	(106,498)	-	451,473
Profit before taxation						<u>451,473</u>

b) Segment assets

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Consolidated RM'000
At 31 December 2025					
Operating assets	10,641,563	14,017,620	3,060,887	2,975,220	30,695,290
Associates	23,825	108,674	25,643	1,940,988	2,099,130
Joint ventures	-	52,177	-	214,092	266,269
Segment assets	10,665,388	14,178,471	3,086,530	5,130,300	33,060,689
Tax assets					615,637
Total assets					<u>33,676,326</u>
At 30 September 2025					
Operating assets	11,014,442	13,655,424	3,021,327	2,393,097	30,084,290
Associates	23,644	109,828	14,685	1,996,411	2,144,568
Joint ventures	-	55,245	-	216,111	271,356
Segment assets	11,038,086	13,820,497	3,036,012	4,605,619	32,500,214
Tax assets					616,184
Total assets					<u>33,116,398</u>

c) Segment liabilities

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Consolidated RM'000
At 31 December 2025					
Segment liabilities	1,028,038	6,801,166	437,111	8,108,540	16,374,855
Tax liabilities					1,224,758
Dividend payable					424,709
Total liabilities					<u>18,024,322</u>
At 30 September 2025					
Segment liabilities	925,918	6,389,799	398,321	7,917,780	15,631,818
Tax liabilities					1,243,233
Total liabilities					<u>16,875,051</u>

A9. Material 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.

A10. Changes in composition of the Group

There were no other 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 current quarter under review.

A11. Changes in contingent liabilities and contingent assets

There were no material changes in the contingent liabilities or contingent assets since the last annual financial statements for the year ended 30 September 2025.

A12. Significant event

On 19 December 2025, the Group had entered into following agreements:

- (i) The Group's subsidiary, KLK Land Sdn Bhd ("KLKL"), entered into a Shareholders' Agreement with Nova Legend Development Sdn Bhd ("NLDSB"), a wholly-owned subsidiary of Mah Sing Group Berhad ("Mah Sing"), which is principally involved in investment holding and property development, and M Industrial Development Sdn Bhd ("MIDSB") as a joint venture company, to jointly undertake an industrial development on parcels of freehold land measuring approximately 419.15 acres in Mukim Senai, Daerah Kulai, Negeri Johor (referred to as the "Land").
- (ii) Aura Muhibah Sdn Bhd, a subsidiary of the Group, as the vendor, entered into a conditional Sale and Purchase Agreement with MIDSB as the purchaser, to dispose of the Land for a total consideration of RM273.9 million ("Disposal of Land").
- (iii) MIDSB entered into a Project Management Agreement ("PMA") with Southville City Sdn Bhd, a wholly-owned subsidiary of Mah Sing, to project manage the industrial development on the Land in accordance with the provisions of the PMA.

The Land is intended to be developed into an integrated industrial development known as MS Industrial Park @ Kulai.

The joint development will enable the Group to unlock the potential of the Group's land in Kulai and build a stronger industrial development portfolio. The joint development with NLDSB allows KLKL to leverage NLDSB's experience, ensuring a successful strategic expansion into industrial property development.

The Disposal of Land is expected to be completed in second half of the year 2026.

A13. Capital commitments

At the end of the reporting period, the Group's capital commitments were as follows:

	At 31 December 2025 RM'000	At 30 September 2025 RM'000
Capital expenditure		
Approved and contracted	363,150	307,991
Approved but not contracted	787,711	980,440
	<u>1,150,861</u>	<u>1,288,431</u>
Acquisition of shares in a subsidiary of the Group		
Approved and contracted	17,452	-
Joint venture		
Share of capital commitment of a joint venture	24,232	38,180

A14. 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.

	3 months ended 31 December	
	2025 RM'000	2024 RM'000
a) Transactions with associates and joint ventures:		
Sales of goods	109,682	93,259
Purchase of goods	452,632	438,819
Service charges paid	410	797
Research and development services paid	3,294	3,384
	<hr/>	<hr/>
b) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest:		
Sales of goods		
Chlor-Al Chemical Pte Ltd	6,226	8,329
Taiko Acid Works Sdn Bhd	2,037	2,240
TMK Chemical Berhad	23,245	33,742
Storage tanks rental received		
TMK Chemical Berhad	698	642
Purchases of goods		
Borneo Taiko Clay Sdn Bhd	1,426	1,712
Bukit Katho Estate Sdn Bhd	2,484	2,692
Chlor-Al Chemical Pte Ltd	5,631	11,362
Kampar Rubber & Tin Co Sdn Bhd	3,146	3,301
Malay Rubber Plantations (M) Sdn Bhd	4,661	4,428
PT Agro Makmur Abadi	22,932	34,176
PT Java Taiko Mineralindo	297	776
PT Safari Riau	13,974	12,982
Taiko Clay Marketing Sdn Bhd	1,856	1,248
Taiko Drum Industries Sdn Bhd	637	1,352
TMK Chemical Berhad	6,065	6,668
Management fees paid		
Farming Management Services Pty Ltd	792	816
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	392	2,251
	<hr/>	<hr/>
c) Transactions between subsidiaries and their non-controlling interests:		
Sales of goods		
Alami Commodities Sdn Bhd	49,244	6,925
Mitsui & Co Ltd	45,169	44,730
Mitsui & Co (Malaysia) Sdn Bhd	103,491	74,155
Mitsui & Co (USA) Sdn Bhd	13,929	9,833
Purchases of goods		
PT Tanjung Sarana Lestari	199,963	247,888
Rental of land		
PT Perkebunan Nusantara I	10,635	9,023
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B1. Detailed analysis of performance
1st Quarter FY2026 vs 1st Quarter FY2025

	Quarter Ended		Changes %
	31 December		
	2025	2024	
	RM'000	RM'000	
Revenue	6,510,856	6,123,630	6.3
Segment results:			
Plantation	640,599	585,075	9.5
Manufacturing	59,123	(34,650)	N/M
Property development	3,001	7,546	(60.2)
Investment holding/Others	(103,682)	(106,498)	(2.6)
Profit before taxation	599,041	451,473	32.7

N/M - Not meaningful

The Group's pre-tax profit for the current quarter improved to RM599.04 million (1Q2025: RM451.47 million) on the back of higher revenue at RM6.51 billion (1Q2025: RM6.12 billion). Comments on the respective business segments are as follows:

The **Plantation's** profit improved 9.5% to RM640.60 million (1Q2025: RM585.08 million) mainly due to higher CPO and PK sales volume realised coupled with higher PK selling price, drop in CPO production cost and net gain of RM20.92 million (1Q2025: RM9.77 million net loss) from fair value changes on outstanding derivative contracts. However, the increase in profit was partially offset by drop in CPO selling price and lower fair value gain of RM2.99 million (1Q2025: RM34.72 million gain) on valuation of unharvested fresh fruit bunches.

The **Manufacturing** segment recorded a profit of RM59.12 million, a significant improvement compared to the loss of RM34.65 million in 1Q2025, driven by higher revenue of RM5.59 billion (1Q2025: RM4.93 billion). The stronger performance was mainly attributed to improved margins in the Oleochemical division, reduced losses in the non-oleochemical sub-segment, and a turnaround to profitability in the refineries. Excluding an one-off loss on voluntary liquidation of an investment, the Industrial Chemicals sub-segment recorded a 9.0% decline in profit, consistent with a 6.9% reduction in revenue.

The **Property Development's** profit fell 60.2% to RM3.00 million (1Q2025: RM7.55 million) on the back of 36.1% lower revenue at RM28.17 million (1Q2025: RM44.09 million).

Included in the **Investment Holdings/Others** were unrealised foreign currency exchange translation loss of RM28.73 million (1Q2025: RM39.50 million loss) on inter-company loans denominated in foreign currencies, and surplus on sale of land and government acquisition of RM1.19 million (1Q2025: RM1.54 million). The Farming sector recorded a profit of RM11.37 million (1Q2025: RM186,000 profit) but the bulk of its sales and profit are to be recognised in the next quarter on a delivered basis.

B2. Comparison of current quarter's results to the preceding quarter
1st Quarter FY2026 vs 4th Quarter FY2025

	Quarter Ended		Changes %
	31	30	
	December 2025	September 2025	
	RM'000	RM'000	
Revenue	6,510,856	6,482,717	0.4
Segment results:			
Plantation	640,599	636,434	0.7
Manufacturing	59,123	(87,918)	N/M
Property development	3,001	21,708	(86.2)
Investment holding/Others	(103,682)	(247,162)	(58.1)
Profit before taxation	599,041	323,062	85.4

N/M - Not meaningful

For the current quarter, the Group's pre-tax profit increased by 85.4% to RM599.04 million as compared to RM323.06 million reported in the preceding quarter with slight improvement in revenue to RM6.51 billion (4Q2025: RM6.48 billion). Comments on the respective business segments are as follows:

The **Plantation** segment's profit increased by marginally to RM640.60 million (4Q2025: RM636.43 million), mainly driven by higher CPO and PK sales volumes, stronger CPO selling prices, and a higher net gain of RM20.92 million (4Q2025: RM243,000 net gain) from fair value changes on outstanding derivative contracts. However, the improvement was partially offset by a weaker PK selling price, higher CPO production costs, and a lower fair value gain of RM3.00 million (4Q2025: RM39.67 million) arising from the valuation of unharvested fresh fruit bunches.

The **Manufacturing** segment posted a profit of RM59.12 million, representing a substantial improvement from the loss of RM87.92 million recorded in 1Q2025, supported by higher revenue of RM5.59 billion (4Q2025: RM5.47 billion). The improved results were primarily driven by the return to profitability in both the Oleochemical and refineries divisions, along with reduced losses in the non-oleochemical sub-segment. Excluding an one-off loss on voluntary liquidation of an investment, the Industrial Chemicals sub-segment registered a 19.1% decline in profit, in line with a 4.8% decrease in revenue.

The **Property Development** segment's profit declined to RM3.00 million (4Q2025: RM21.71 million), in line with a 13.4% decrease in revenue to RM28.17 million (4Q2025: RM32.54 million).

Included in the **Investment Holdings/Others** were an unrealised foreign currency translation loss of RM28.73 million (4Q2025: RM24.30 million loss) on inter-company loans denominated in foreign currencies, and a surplus of RM1.19 million (4Q2025: RM2.19 million) from sale of land and government acquisitions. The Farming sector recorded a profit of RM11.37 million (4Q2025: RM8.65 million loss) on harvest and sales of crops. The preceding quarter accounted for a major subsidiary's share of equity loss of RM63.69 million from an oversea associate, Synthomer plc and a RM60.00 million impairment loss on its investment in Synthomer.

B3. Prospects

For Q1 FY2026, the Group's Plantation segment reported an increased pre-tax profit of RM640.60 million, compared to RM585.08 million the same period last year, driven mainly by higher Fresh Fruit Bunch yields and stronger palm kernel prices. Looking ahead, CPO prices are expected to trade within the RM3,900/mt to RM4,300/mt range next quarter, with potential increase in Indonesian export levies. Despite overall strong supply of edible oils globally, Plantation performance is expected to remain positive.

The Group's overall Manufacturing segment swung to a pre-tax profit of RM59.12 million for Q1 FY2026, compared to a pre-tax loss of RM34.65 million the same period last year. The Oleochemical and midstream Refining sub-segments benefited from cessation of pre-commissioning costs and absence of material foreign exchange losses. Margins remain competitive while any moderation in CPO prices would support trading activities.

The Group's Industrial Chemical sub-segment reported softening results due to high raw material costs and reduced sales. Looking ahead, our chlor-alkali plants will benefit from the lower utility rates and higher capacity utilisation from improved market demand.

The Group's Plantation segment remains the primary earnings driver. With sustained results from Plantation segment and improving Manufacturing performance, the Group expects to deliver a favorable result for FY2026.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 December		31 December	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
Malaysian taxation	68,512	70,608	68,512	70,608
Overseas taxation	99,885	109,047	99,885	109,047
	<u>168,397</u>	<u>179,655</u>	<u>168,397</u>	<u>179,655</u>
(Over)/Under provision of taxation				
in respect of previous years				
Malaysian taxation	(16)	(723)	(16)	(723)
Overseas taxation	2,463	1,472	2,463	1,472
	<u>2,447</u>	<u>749</u>	<u>2,447</u>	<u>749</u>
Deferred tax				
Origination and reversal of				
temporary differences	2,053	(13,221)	2,053	(13,221)
Under/(Over) provision in respect of previous year	1,076	(602)	1,076	(602)
	<u>3,129</u>	<u>(13,823)</u>	<u>3,129</u>	<u>(13,823)</u>
	<u>173,973</u>	<u>166,581</u>	<u>173,973</u>	<u>166,581</u>

Reconciliation of effective taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	599,041	451,473	599,041	451,473
Taxation at Malaysia income tax rate of 24% (FY2025: 24%)	143,770	108,354	143,770	108,354
Effect of different tax rates in foreign jurisdiction	(6,916)	(9,557)	(6,916)	(9,557)
Withholding tax on foreign dividend and interest income	14,060	15,698	14,060	15,698
Expenses not deductible for tax purposes	36,245	41,738	36,245	41,738
Tax exempt and non-taxable income	(15,175)	(23,437)	(15,175)	(23,437)
Tax incentives	(1,699)	(2,189)	(1,699)	(2,189)
Deferred tax assets not recognised during the period	2,300	20,921	2,300	20,921
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(2,309)	(1,109)	(2,309)	(1,109)
Tax effect on associates' and joint ventures' results	(181)	(1,924)	(181)	(1,924)
Under provision of tax expense in respect of previous years	2,447	749	2,447	749
Under/(Over) provision of deferred tax in respect of previous years	1,076	(602)	1,076	(602)
Tax on remittance of foreign-sourced income	-	17,569	-	17,569
Others	355	370	355	370
Tax expense	173,973	166,581	173,973	166,581

B6. Status of corporate proposals

There were no corporate proposals announced.

B7. Group borrowings

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

	At 31 December 2025					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Bank overdraft	-	-	Euro 591	2,812	Euro 591	2,812
	-	-	CHF 2,644	13,517	CHF 2,644	13,517
Term Loans	-	-	Euro 198	941	Euro 198	941
Unsecured						
Bank overdraft	-	-	Euro 26,399	125,514	Euro 26,399	125,514
Revolving credit	-	-	Euro 153,000	727,655	Euro 153,000	727,655
	-	-	USD 94,913	384,087	USD 94,913	384,087
	-	-	GBP 41,700	227,278	GBP 41,700	227,278
	-	-	AUD 25,000	67,738	AUD 25,000	67,738
	-	-	Rp 400,000,000	96,600	Rp 400,000,000	96,600
	-	-	-	151,000	-	151,000
Trade financing	-	-	USD 81,428	329,542	USD 81,428	329,542
	-	-	Euro 94,798	450,721	Euro 94,798	450,721
	-	-	Rp 218,518,380	52,772	Rp 218,518,380	52,772
	-	-	RMB 623,685	360,739	RMB 623,685	360,739
	-	-	-	1,366,813	-	1,366,813
Term loans	Euro 1,324	6,294	Euro 467	2,219	Euro 1,791	8,513
	-	-	AUD 8,947	24,241	AUD 8,947	24,241
	-	1,790,717	-	144,708	-	1,935,425
Export credit refinancing	-	-	-	1,159	-	1,159
Banker's acceptance	-	-	USD 19,890	80,497	USD 19,890	80,497
	-	-	-	831,799	-	831,799
Islamic medium term notes	-	5,150,000	-	500,000	-	5,650,000
Total		6,947,011		5,942,352		12,889,363

	At 31 December 2024					
	Long Term		Short Term		Total Borrowings	
	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Term Loans	Euro 75	347	Euro 839	3,884	Euro 914	4,231
Unsecured						
Bank overdraft	-	-	Euro 2,352	10,893	Euro 2,352	10,893
Revolving credit	-	-	Euro 102,000	472,346	Euro 102,000	472,346
	USD 2,940	13,196	USD 41,880	187,295	USD 44,820	200,491
	-	-	GBP 65,000	363,701	GBP 65,000	363,701
	-	-	AUD 26,000	71,942	AUD 26,000	71,942
	-	-	-	142,000	-	142,000
Trade financing	-	-	USD 73,621	329,196	USD 73,621	329,196
	-	-	Euro 65,396	302,756	Euro 65,396	302,756
	-	-	Rp 189,334,529	52,597	Rp 189,334,529	52,597
	-	-	RMB 484,346	296,711	RMB 484,346	296,711
	-	-	-	1,562,895	-	1,562,895
Term loans	Euro 1,951	9,034	Euro 30,738	142,305	Euro 32,689	151,339
	-	-	AUD 2,323	6,428	AUD 2,323	6,428
	-	1,928,557	-	123,365	-	2,051,922
Banker's acceptance	-	-	USD 18,346	82,000	USD 18,346	82,000
	-	-	-	332,444	-	332,444
Islamic medium term notes	-	5,000,000	-	1,100,000	-	6,100,000
Total		6,951,134		5,582,758		12,533,892

Exchange Rates Applied	At 31 December	
	2025	2024
USD / RM	4.0470	4.4715
Euro / RM	4.7545	4.6296
Rp1,000/RM	0.2415	0.2778
RMB / RM	0.5784	0.6126
GBP / RM	5.4503	5.5954
AUD / RM	2.7095	2.7670
CHF / RM	5.1121	4.9284

B8. Derivative financial instruments

The Group has entered into forward foreign exchange contracts 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.

The commodity swap contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movement in the methane gas futures.

As at 31 December 2025, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

	Contract / Notional value Net long/(short) RM'000	Fair value Net gains/(losses) RM'000
a) Forward foreign exchange contracts:		
- Less than 1 year	(2,498,651)	63,910
b) Commodity futures contracts:		
- Less than 1 year	(352,682)	21,252
c) Interest rate swap contracts:		
- Less than 1 year	502,219	(198)
- 1 year to 3 years	504,196	(213)
- more than 3 years	2,098	98

Derivative financial instruments 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 December 2025, 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.

B11. Dividend

a) The Directors do not recommend the payment of dividend for the first quarter ended 31 December 2025 (31 December 2024: Nil).

b) Total dividend for the current financial year to-date is Nil (31 December 2024: Nil).

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 December		3 months ended 31 December	
	2025	2024	2025	2024
Net profit for the period attributable to equity holders of the Company (RM'000)	182,362	127,598	182,362	127,598
Weighted average number of shares ('000)	388,473	390,544	388,473	390,544
Earnings per share (sen)	46.9	32.7	46.9	32.7

B13. Audit report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 30 September 2025 was not subject to any qualifications.

B14. Condensed Consolidated Statement of Profit or Loss

Profit before taxation for the period is arrived at after charging/(crediting) the following items:

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 December		3 months ended 31 December	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income	(17,245)	(20,202)	(17,245)	(20,202)
Dividend income	(15,042)	(17,411)	(15,042)	(17,411)
Other income	(36,382)	(37,005)	(36,382)	(37,005)
Interest expense	120,423	127,073	120,423	127,073
Depreciation and amortisation	271,496	275,797	271,496	275,797
Provision for and write-off/(write-back) of receivables	2,239	(1,024)	2,239	(1,024)
Provision for and write-off of inventories	29,560	14,788	29,560	14,788
Surplus on disposal of land	(1,175)	(568)	(1,175)	(568)
Surplus arising from government acquisition of land	(17)	(976)	(17)	(976)
Foreign exchange loss/(gain)	30,777	(58,347)	30,777	(58,347)
Loss on voluntary liquidation of an investment	2,580	-	2,580	-
(Gain)/Loss on derivatives	(73,351)	215,635	(73,351)	215,635
Exceptional items	-	-	-	-

By Order of the Board
JARROD QUAH SWEE JIN
CHIEW CINDY
Company Secretaries

24 February 2026