

BATU KAWAN BERHAD

196501000504 (6292-U)
(Incorporated in Malaysia)

**Interim Financial Report
for the Second Quarter ended 31 March 2026**

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			Cumulative Quarter		
	3 months ended		+ / (-)	6 months ended		+ / (-)
	31 March			31 March		
	2026	2025	%	2026	2025	%
	RM'000	RM'000		RM'000	RM'000	
Revenue	6,717,122	6,509,644	3.2	13,227,978	12,633,274	4.7
Operating expenses	(6,380,692)	(6,036,186)	5.7	(12,345,434)	(11,792,632)	4.7
Other operating income	217,500	2,934	N/M	392,332	205,254	91.1
Finance costs	(119,855)	(128,460)	(6.7)	(240,278)	(255,533)	(6.0)
Net impairment losses on financial assets	(514)	(3,345)	(84.6)	(2,750)	(2,320)	18.5
Share of results of associates	2,065	(57,279)	N/M	4,299	(52,283)	N/M
Share of results of joint ventures	(1,487)	2,963	N/M	(2,967)	5,984	N/M
Profit before taxation	434,139	290,271	49.6	1,033,180	741,744	39.3
Taxation	(95,418)	(104,769)	(8.9)	(269,391)	(271,350)	(0.7)
NET PROFIT FOR THE PERIOD	338,721	185,502	82.6	763,789	470,394	62.4
Profit attributable to:						
Equity holders of the Company	164,763	87,885	87.5	347,125	215,483	61.1
Non-controlling interests	173,958	97,617	78.2	416,664	254,911	63.5
	338,721	185,502	82.6	763,789	470,394	62.4
Earnings per share for profit attributable to equity holders of the Company (sen)						
Basic	42.4	22.5	88.5	89.4	55.2	61.9
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 Second Quarter ended 31 March 2026

(The figures have not been audited.)

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	338,721	185,502	763,789	470,394
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss				
Currency translation differences	(89,164)	(114,862)	(512,224)	155,308
Share of other comprehensive (loss)/income in associates	(638)	20,625	(638)	20,625
	(89,802)	(94,237)	(512,862)	175,933
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity instrument	173,639	18,395	66,254	43,094
Share of other comprehensive loss in associates	-	(10,881)	-	(10,881)
	173,639	7,514	66,254	32,213
Total other comprehensive income/(loss) for the period	83,837	(86,723)	(446,608)	208,146
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	422,558	98,779	317,181	678,540
Total comprehensive income attributable to:				
Equity holders of the Company	208,819	54,493	142,131	317,553
Non-controlling interests	213,739	44,286	175,050	360,987
	422,558	98,779	317,181	678,540

The Condensed Consolidated Statement of Other Comprehensive Income 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 March 2026

(The figures have not been audited.)

	At 31 March 2026 RM'000	At 30 September 2025 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	12,792,844	13,207,145
Right-of-use assets	1,458,762	1,460,400
Investment properties	177,827	121,480
Inventories	1,990,889	2,084,069
Goodwill on consolidation	445,388	456,400
Intangible assets	42,857	50,802
Investments in associates	3,091,142	2,144,568
Investments in joint ventures	277,386	271,356
Other investments	248,360	1,227,317
Other receivables	304,237	337,258
Deferred tax assets	494,435	505,758
Derivative financial assets	268	589
	<u>21,324,395</u>	<u>21,867,142</u>
Current assets		
Inventories	4,605,932	4,202,390
Biological assets	164,994	241,502
Trade and other receivables	4,499,517	3,740,588
Contract assets	12,355	43,035
Tax recoverable	78,652	110,426
Derivative financial assets	145,637	45,711
Short term funds	24,097	116,028
Cash and cash equivalents	2,489,096	2,749,508
	<u>12,020,280</u>	<u>11,249,188</u>
Assets held for sale	-	68
	<u>12,020,280</u>	<u>11,249,256</u>
TOTAL ASSETS	<u>33,344,675</u>	<u>33,116,398</u>

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 March 2026

(The figures have not been audited.)

	At 31 March 2026	At 30 September 2025
	RM'000	RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	2,247,555	2,182,201
Contract liabilities	255,952	203,377
Deferred income	8,346	8,349
Lease liabilities	17,164	19,800
Borrowings	5,463,778	5,249,265
Tax payable	80,187	132,021
Derivative financial liabilities	285,961	30,406
	8,358,943	7,825,419
Net current assets	3,661,337	3,423,837
Non-current liabilities		
Deferred tax liabilities	1,069,498	1,111,212
Lease liabilities	386,187	342,161
Deferred income	60,401	64,646
Provision for retirement benefits	553,787	577,975
Borrowings	6,946,345	6,953,638
	9,016,218	9,049,632
Total liabilities	17,375,161	16,875,051
Net assets	15,969,514	16,241,347
Equity attributable to owners of the Company		
Share capital	507,587	507,587
Reserves	7,199,510	7,264,507
	7,707,097	7,772,094
Less: Cost of treasury shares	(225,490)	(202,737)
Total equity attributable to equity holders of the Company	7,481,607	7,569,357
Non-controlling interests	8,487,907	8,671,990
Total equity	15,969,514	16,241,347
TOTAL EQUITY AND LIABILITIES	33,344,675	33,116,398
Net assets per share attributable to equity holders of the Company (RM)	19.30	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 Second Quarter ended 31 March 2026

(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
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
Net change in fair value of equity instruments	-	-	-	-	31,585	-	31,585	34,669	66,254
Transfer of reserves	-	-	1,570	-	-	(1,570)	-	-	-
Share of comprehensive loss in associates	-	-	-	(309)	-	-	(309)	(329)	(638)
Currency translation differences	-	-	(2,985)	(233,285)	-	-	(236,270)	(275,954)	(512,224)
Total other comprehensive (loss)/income for the period	-	-	(1,415)	(233,594)	31,585	(1,570)	(204,994)	(241,614)	(446,608)
Profit for the period	-	-	-	-	-	347,125	347,125	416,664	763,789
Total comprehensive (loss)/income for the period	-	-	(1,415)	(233,594)	31,585	345,555	142,131	175,050	317,181
Transactions with owners:									
Effect of changes in shareholdings in subsidiaries	-	-	-	(2,632)	-	(10,555)	(13,187)	(35,325)	(48,512)
Shares buy back	-	(22,753)	-	-	-	-	(22,753)	-	(22,753)
Dividend Paid - FY2025 final	-	-	-	-	-	(193,941)	(193,941)	-	(193,941)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(323,808)	(323,808)
	-	(22,753)	-	(2,632)	-	(204,496)	(229,881)	(359,133)	(589,014)
At 31 March 2026	507,587	(225,490)	936,036	(454,529)	803,339	5,914,664	7,481,607	8,487,907	15,969,514

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 Second Quarter ended 31 March 2026

(Continued.)

(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
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
Net change in fair value of equity instruments	-	-	-	-	20,812	-	20,812	22,282	43,094
Realisation on fair value of equity instruments	-	-	-	-	(11)	11	-	-	-
Transfer of reserves	-	-	3,482	-	-	(3,482)	-	-	-
Share of comprehensive loss in associates	-	-	-	9,947	-	(5,248)	4,699	5,045	9,744
Currency translation differences	-	-	1,246	75,313	-	-	76,559	78,749	155,308
Total other comprehensive (loss)/income for the period	-	-	4,728	85,260	20,801	(8,719)	102,070	106,076	208,146
Profit for the period	-	-	-	-	-	215,483	215,483	254,911	470,394
Total comprehensive income for the period	-	-	4,728	85,260	20,801	206,764	317,553	360,987	678,540
Transactions with owners:									
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	2,942	2,942
Effect of changes in shareholdings in subsidiaries	-	-	3,789	(109)	2,035	(28,681)	(22,966)	1,456	(21,510)
Shares buy back	-	(50,702)	-	-	-	-	(50,702)	-	(50,702)
Employees' share grant scheme	-	-	-	-	-	-	-	809	809
Dividend paid - FY2024 final	-	-	-	-	-	(155,926)	(155,926)	-	(155,926)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(200,437)	(200,437)
	-	(50,702)	3,789	(109)	2,035	(184,607)	(229,594)	(195,230)	(424,824)
At 31 March 2025	507,587	(187,621)	940,839	(58,768)	655,675	5,605,001	7,462,713	8,669,377	16,132,090

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 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	1,033,180	741,744
Adjustments for:		
Non-cash items	605,883	813,356
Non-operating items	190,294	194,573
Operating cash flows before changes in working capital	1,829,357	1,749,673
Changes in working capital		
Net change in current assets	(1,083,915)	(1,245,264)
Net change in current liabilities	157,798	35,006
Cash flows generated from operations	903,240	539,415
Interest received	5,761	5,879
Interest paid	(224,741)	(248,376)
Tax paid	(322,406)	(212,346)
Retirement benefits paid	(26,023)	(56,875)
Net cash flows generated from operating activities	335,831	27,697
Cash flows from investing activities		
Purchase of property, plant and equipment	(407,854)	(536,504)
Purchase of right-of-use assets	(1,220)	(865)
Property development expenditure	(57,578)	(3,930)
Purchase of shares in subsidiaries, net of cash	-	260
Purchase of shares in associates	(800)	(800)
Purchase of shares in joint ventures	(4,614)	(7,216)
Development of investment property	(56,362)	(15,623)
Purchase of intangible assets	(3,427)	(526)
Proceeds from disposal of property, plant and equipment	11,669	2,385
Compensation from government on land acquired	687	3,259
Proceed from disposal of land	207,484	-
Proceeds from disposal of other investments	-	153
Capital distribution from an investment	3,015	-
Advance to associates	(99,636)	(9,240)
Repayment from plasma receivables	17,352	16,381
(Advances to)/Repayment from joint ventures	(9,498)	9,914
Repayment from/(Advances to) investee companies	1,614	(12,508)
Net withdrawal/(placement) of short term funds	95,052	(54,850)
Dividends received	23,511	25,707
Interest received	27,785	29,683
Net cash flows used in investing activities	(252,820)	(554,320)

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 March 2026

(The figures have not been audited.)

	6 months ended 31 March	
	2026	2025
	RM'000	RM'000
Cash flows from financing activities		
Drawdown of term loans	24,699	87,232
Repayment of term loans	(28,137)	(394,466)
Lease payments	(13,561)	(20,201)
Net drawdown of short term borrowings	314,969	1,254,894
Dividends paid to shareholders of the Company	(193,941)	(155,926)
Dividends paid to non-controlling interests	(323,808)	(200,437)
Shares buy back	(22,753)	(50,702)
Purchase of shares from non-controlling interests	(48,512)	(21,510)
Issuance of shares to non-controlling interests	-	2,942
Net cash flows (used in) / generated from financing activities	(291,044)	501,826
Net decrease in cash and cash equivalents	(208,033)	(24,797)
Effects of exchange rate changes	(48,505)	(5,053)
Cash and cash equivalents at beginning of year	2,702,924	2,783,163
Cash and cash equivalents at end of year	2,446,386	2,753,313
Cash and cash equivalents at 31 March is represented by:		
Deposits with licensed banks	1,044,481	346,848
Money market funds	249,828	1,114,525
Cash and bank balances	1,194,787	1,353,787
Bank overdrafts	(42,710)	(61,847)
	2,446,386	2,753,313

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 operations 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 1,160,200 shares in the Company from the open market. The average price paid for the shares repurchased was RM19.56 per share and the total consideration paid, including transaction costs, was RM22.75 million. The shares bought back were financed by internally generated funds and held as treasury shares.

A7. Dividends paid

	6 months ended	
	31 March	
	2026	2025
	RM’000	RM’000
Dividends proposed in financial year (“FY”) 2025, paid in FY 2026:		
Final 50 sen per share single tier	193,941	-
Dividends proposed in FY 2024, paid in FY 2025:		
Final 40 sen per share single tier	-	155,926
	<u>193,941</u>	<u>155,926</u>

Dividend was paid on the number of outstanding shares in issue and fully paid of 387,881,063 (2025: 389,815,263).

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	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	11,462,432	53,848	218,746	-	13,227,978
Inter-segment revenue	1,574,574	57,953	-	334,640	(1,967,167)	-
Total revenue	3,067,526	11,520,385	53,848	553,386	(1,967,167)	13,227,978
Results						
Operating results	1,010,546	124,867	5,883	149,665	(18,835)	1,272,126
Finance costs	(6,343)	(94,065)	(983)	(157,722)	18,835	(240,278)
Share of results of associates	88	4,280	(40)	(29)	-	4,299
Share of results of joint ventures	-	(1,033)	-	(1,934)	-	(2,967)
Segment results	1,004,291	34,049	4,860	(10,020)	-	1,033,180
Profit before taxation						1,033,180
6 months ended						
31 March 2025						
Revenue						
External revenue	1,814,366	10,518,726	83,777	216,405	-	12,633,274
Inter-segment revenue	1,305,192	54,149	-	413,058	(1,772,399)	-
Total revenue	3,119,558	10,572,875	83,777	629,463	(1,772,399)	12,633,274
Results						
Operating results	1,047,514	24,392	12,857	(22,168)	(19,019)	1,043,576
Finance costs	(4,937)	(94,991)	(1,763)	(172,861)	19,019	(255,533)
Share of results of associates	3,224	7,910	(30)	(63,387)	-	(52,283)
Share of results of joint ventures	-	7,279	-	(1,295)	-	5,984
Segment results	1,045,801	(55,410)	11,064	(259,711)	-	741,744
Profit before taxation						741,744

b) Segment assets

	Plantation	Manufacturing	Property Development	Investment Holding/ Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2026					
Operating assets	10,263,365	14,301,176	3,054,701	1,783,818	29,403,060
Associates	20,731	110,523	32,117	2,927,771	3,091,142
Joint ventures	-	51,104	-	226,282	277,386
Segment assets	10,284,096	14,462,803	3,086,818	4,937,871	32,771,588
Tax assets					573,087
Total assets					33,344,675
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					33,116,398

c) Segment liabilities

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Consolidated RM'000
At 31 March 2026					
Segment liabilities	1,119,001	6,925,062	426,731	7,754,682	16,225,476
Tax liabilities					1,149,685
Total liabilities					<u>17,375,161</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 have 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, except for below:

- a) On 30 March 2026, the Group's 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 KLK Emmerich GmbH.
- 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, the Group holds a 24.28% equity interest in MP Evans, valuing the investment at RM1,012.2 million

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. Capital commitments

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

	At 31 March 2026 RM'000	At 30 September 2025 RM'000
Capital expenditure		
Approved and contracted	329,746	307,991
Approved but not contracted	630,882	980,440
	<u>960,628</u>	<u>1,288,431</u>
Joint venture		
Share of capital commitment of a joint venture	24,153	38,180

A13. 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 RM'000	2025 RM'000
a) Transactions with associates and joint ventures:		
Sales of goods	180,092	203,194
Purchase of goods	848,359	1,073,002
Service charges paid	576	1,280
Research and development services paid	8,418	8,559
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	12,224	13,150
Siam Taiko Marketing Co Ltd	584	965
Taiko Acid Works Sdn Bhd	5,045	4,817
TMK Chemical Berhad	47,663	66,754
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
Chlor-Al Chemical Pte Ltd	5,631	11,262
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	1,034
Taiko Clay Marketing Sdn Bhd	3,619	2,700
Taiko Drum Industries Sdn Bhd	1,817	2,537
TMK Chemical Berhad	11,024	13,779
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
c) Transactions between subsidiaries and their non-controlling interests:		
Sales 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 (USA) Inc	21,738	18,203
Purchases of goods		
PT Tanjung Sarana Lestari	425,748	447,886
Rental of land		
PT Perkebunan Nusantara II	16,564	23,997

B1. Detailed analysis of performance
2nd Quarter FY2026 vs 2nd Quarter FY2025

	Quarter Ended		Changes %
	31 March		
	2026 RM'000	2025 RM'000	
Revenue	6,717,122	6,509,644	3.2
Segment results:			
Plantation	363,692	460,726	(21.1)
Manufacturing	(25,074)	(20,760)	20.8
Property development	1,859	3,518	(47.2)
Investment holding/Others	93,662	(153,213)	N/M
Profit before taxation	434,139	290,271	49.6

N/M - Not meaningful

The Group's pre-tax profit for the current quarter improved to RM434.14 million (2Q2025: RM290.27 million) on the back of higher revenue at RM6.72 billion (2Q2025: RM6.51 billion). Comments on the respective business segments are as follows:

Plantation's profit declined 21.1% to RM363.69 million (2Q2025: RM460.73 million) mainly due to weaker CPO and PK selling prices realised coupled with a net loss of RM121.46 million (2Q2025: RM2.28 million net loss) from fair value changes on outstanding derivative contracts. However, the decrease in profit was partially offset by increase in CPO and PK sales volumes, lower CPO production cost and and lower fair value loss of RM24.89 million (2Q2025: RM53.42 million loss) on valuation of unharvested fresh fruit bunches.

Notwithstanding higher revenue at RM5.90 billion (2Q2025: RM5.62 billion), **Manufacturing** segment recorded a loss of RM25.07 million (2Q2025: RM20.76 million profit) due to lower profit contribution from the oleochemical sub-segment, partially offset by reduced losses from refineries and non-oleochemical sub-segments. Industrial chemical sub-segment's profit was lower from lower caustic soda sale volume.

Property Development's profit fell 47.2% to RM1.86 million (2Q2025: RM3.52 million) on the back of 35.3% lower revenue at RM25.68 million (2Q2025: RM39.69 million).

Included in **Investment Holdings/Others** were unrealised foreign currency exchange translation loss of RM2.68 million (2Q2025: RM38.01 million loss) on inter-company loans denominated in foreign currencies, surplus on sale of land and government acquisition of RM126.32 million (2Q2025: RM3.94 million), and surplus on disposal of an aircraft of RM7.27 million (2Q2025: Nil). Farming sector recorded a higher profit of RM40.70 million (2Q2025: RM34.59 million profit). The segment also accounted for an absence of share of equity loss of RM63.32 million in the previous corresponding quarter.

Todate 2nd Quarter FY2026 vs Totate 2nd Quarter FY2025

	Todate Ended		Changes %
	31 March		
	2026	2025	
	RM'000	RM'000	
Revenue	13,227,978	12,633,274	4.7
Segment results:			
Plantation	1,004,291	1,045,801	(4.0)
Manufacturing	34,049	(55,410)	N/M
Property development	4,860	11,064	(56.1)
Investment holding/Others	(10,020)	(259,711)	N/M
Profit before taxation	1,033,180	741,744	39.3

N/M - Not meaningful

The Group's pre-tax profit was 39.3% higher at RM1.03 billion (Todate 2Q2025: RM741.74 million) on 4.7% higher revenue at RM13.23 billion (Todate 2Q2025: RM12.63 billion). Comments on the respective business segments are as follows:

Plantation's profit was 4.0% lower at RM1.00 billion (Todate 2Q2025: RM1.05 billion) mainly due to lower CPO selling prices, higher fair value net loss of RM100.54 million (Todate 2Q2025: RM7.49 million loss) on outstanding derivatives contracts and higher loss of RM21.90 million (Todate 2Q2025: RM18.71 million net loss) on unharvested fresh fruit bunches valuation. The decrease in the profit was partially cushioned by stronger PK selling prices, increase in CPO and PK sales volume and lower CPO production cost.

Manufacturing recorded a profit of RM34.05 million (Todate 2Q2025: RM55.41 million loss) on back of higher 9.0% revenue at RM11.46 billion (Todate 2Q2025: RM10.52 billion). Improved results were mainly driven by reduced losses from the non-oleochemical sub-segment and refinery operations, partially offset by lower profit contribution from the oleochemical sub-segment. Notwithstanding higher selling volume in caustic soda, Industrial Chemical division's profit was lower from lower selling price.

Property Development's profit fell 56.1% to RM4.86 million (Todate 2Q2025: RM11.06 million) on the back of lower revenue of RM53.85 million (Todate 2Q2025: RM83.78 million).

Included in **Investment Holdings/Others** were unrealised foreign currency exchange translation loss of RM31.99 million (Todate 2Q2025: RM77.51 million loss) on inter-company loans denominated in foreign currencies; a RM127.51 million surplus (Todate 2Q2025: RM5.49 million surplus) on sale of land and government acquisition; a RM7.27 million surplus (2Q2025: nil) from disposal of an aircraft; and Farming sector recorded a profit of RM52.07 million (Todate 2Q2025: RM34.78 million profit). In the previous year, a share of equity loss of RM63.32 million from an overseas associate, Synthomer plc, was recognised.

B2. Comparison of current quarter's results to the preceding quarter
2nd Quarter FY2026 vs 1st Quarter FY2026

	Quarter Ended		Changes %
	31 March 2026 RM'000	31 December 2025 RM'000	
Revenue	6,717,122	6,510,856	3.2
Segment results:			
Plantation	363,692	640,599	(43.2)
Manufacturing	(25,074)	59,123	N/M
Property development	1,859	3,001	(38.1)
Investment holding/Others	93,662	(103,682)	N/M
Profit before taxation	434,139	599,041	(27.5)

For the current quarter, the Group's pre-tax profit dipped 27.5% to RM434.14 million as compared to RM599.04 million reported in the preceding quarter despite 3.2% improvement in revenue to RM6.72 billion (1Q2026: RM6.51 billion). Comments on the respective business segments are as follows:

Plantation's profit dipped 43.2% to RM363.69 million (1Q2026: RM640.60 million) mainly from lower CPO and PK selling prices and sales volume, higher CPO production cost, fair value loss of RM24.89 million (1Q2026: RM2.99 million gain) on unharvested fresh fruit bunches valuation and fair value loss of RM121.46 million (1Q2026: RM20.92 million net loss) from fair value changes on outstanding derivative contracts.

Notwithstanding an improvement in revenue to RM5.87 billion (1Q2026: RM5.59 billion), **Manufacturing** segment recorded a loss of RM25.07 million (1Q2026: RM59.12 million profit) mainly impacted by larger losses from refineries and lower profit contribution from oleochemical sub-segment. Industrial chemical sub-segment's profit dropped mainly contributed by weakened caustic soda sales volume and selling price.

Property Development's profit slipped 38.1% to RM1.86 million (1Q2026: RM3.00 million) on the back of 8.8% lower revenue at RM25.68 million (1Q2026: RM28.17 million).

Included in **Investment Holdings/Others** were unrealised foreign currency exchange translation loss of RM2.68 million (1Q2026: RM28.73 million loss) on inter-company loans denominated in foreign currencies; a surplus of RM126.32 million (1Q2026: RM1.19 million) from sale of land and government acquisitions; a surplus of RM7.27 million (1Q2026: nil) from disposal of an aircraft; and RM40.70 million profit (1Q2026: RM11.37 million profit) recorded by Farming sector.

B3. Prospects

The Group reported Profit After Tax and Minority Interests ("PATAMI") of RM164.76 million for the current quarter and year-to-date PATAMI of RM347.13 million (Todate 2Q2025: RM215.48 million). The improved results were due to a one-off gain of RM126.85 million on sale of land and the absence of equity-accounted loss from its associate, Synthomer plc (Todate 2Q2025: RM63.32 million loss) which will be reflected in the next quarter.

Compared to the first half period last year, Plantation segment profit was 4.0% lower at RM1,004.29 million for 1H FY2026, due to softer CPO prices and higher losses on derivative contracts, partially mitigated by stronger PK selling prices and increased CPO and PK volumes with reduced production costs. Looking ahead, CPO prices are expected to remain supported above the RM4,400/mt region by elevated crude oil prices from ongoing geopolitical tensions and Indonesia's plan to implement higher biodiesel blending mandates of B50 from July.

The Group's overall Manufacturing segment recorded a return to profit of RM34.05 million for 1HFY2026 due to lower losses from its non-oleochemical and midstream Refinery sub-segment, with reduced profit contributions from Oleochemical division. Margins across the segment remain thin with elevated feedstock and utility costs. Performance of the Industrial Chemical division is expected to improve, supported by stronger selling prices and higher demand.

The Group's performance continues to be supported by the Plantation segment as the key earnings driver. Despite the volatile macroeconomic conditions and geopolitical risk, the Group is cautiously optimistic for a favorable performance for the rest of 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		6 months ended	
	31 March		31 March	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Current tax expenses				
Malaysian taxation	56,861	48,003	125,373	118,611
Overseas taxation	72,131	71,314	172,016	180,361
	<u>128,992</u>	<u>119,317</u>	<u>297,389</u>	<u>298,972</u>
(Over)/Under provision of taxation in respect of previous years				
Malaysian taxation	(41)	(11)	(57)	(734)
Overseas taxation	7,916	4,631	10,379	6,103
	<u>7,875</u>	<u>4,620</u>	<u>10,322</u>	<u>5,369</u>
Deferred tax				
Origination and reversal of temporary differences	(37,778)	(25,119)	(35,725)	(38,340)
(Over)/Under provision in respect of previous year	(3,671)	5,951	(2,595)	5,349
	<u>(41,449)</u>	<u>(19,168)</u>	<u>(38,320)</u>	<u>(32,991)</u>
	<u>95,418</u>	<u>104,769</u>	<u>269,391</u>	<u>271,350</u>

Reconciliation of effective taxation

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31 March		31 March	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	434,139	290,271	1,033,180	741,744
Taxation at Malaysia income tax rate of 24% (FY2025: 24%)	104,193	69,665	247,963	178,019
Effect of different tax rates in foreign jurisdiction	(70)	(68)	(6,986)	(9,625)
Withholding tax on foreign dividend and interest income	12,466	15,109	26,526	30,807
Expenses not deductible for tax purposes	11,385	10,542	47,630	52,280
Tax exempt and non-taxable income	(35,674)	(5,950)	(50,849)	(29,387)
Tax incentives	(7,733)	(12,339)	(9,432)	(14,528)
Deferred tax assets not recognised during the period	16,291	12,203	18,591	33,124
Utilisation previously unrecognised tax losses and unabsorbed capital allowances	(9,335)	(6,410)	(11,644)	(7,519)
Tax effect on associates' and joint ventures' results	(263)	13,036	(444)	11,112
Under provision of tax expense in respect of previous years	7,875	4,620	10,322	5,369
(Over)/Under provision of deferred tax in respect of previous years	(3,671)	5,951	(2,595)	5,349
Tax on remittance of foreign-sourced income	-	(1,589)	-	15,980
Others	(46)	(1)	309	369
Tax expense	95,418	104,769	269,391	271,350

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 March 2026					
	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
<u>Unsecured</u>						
Bank overdraft	-	-	Euro 9,130	42,710	Euro 9,130	42,710
Revolving credit	-	-	Euro 160,000	747,550	Euro 160,000	747,550
	-	-	USD 19,673	79,660	USD 19,673	79,660
	-	-	GBP 41,700	223,304	GBP 41,700	223,304
	-	-	AUD 9,750	27,242	AUD 9,750	27,242
	-	-	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
	-	-	Rp 302,028,561	71,973	Rp 302,028,561	71,973
	-	-	RMB 637,650	374,237	RMB 637,650	374,237
	-	-	-	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
	-	1,785,306	-	141,462	-	1,926,768
Export credit refinancing	-	-	-	2,466	-	2,466
Banker's acceptance	-	-	USD 6,000	24,294	USD 6,000	24,294
	-	-	-	939,647	-	939,647
Islamic medium term notes	-	5,150,000	-	500,000	-	5,650,000
Total	-	6,946,345	-	5,463,778	-	12,410,123

	At 31 March 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
<u>Secured</u>						
Term Loans	Euro 348	1,673	Euro 3,523	16,925	Euro 3,871	18,598
<u>Unsecured</u>						
Bank overdraft	-	-	Euro 12,872	61,847	Euro 12,872	61,847
Revolving credit	-	-	Euro 102,000	490,265	Euro 102,000	490,265
	USD 2,100	9,323	USD 42,880	190,285	USD 44,980	199,608
	-	-	GBP 61,000	350,323	GBP 61,000	350,323
	-	-	AUD 8,500	23,716	AUD 8,500	23,716
	-	-	-	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
	-	-	Rp 334,052,612	89,526	Rp 334,052,612	89,526
	-	-	RMB 480,819	293,780	RMB 480,819	293,780
	-	-	-	1,482,020	-	1,482,020
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
	-	1,930,742	-	123,395	-	2,054,137
Banker's acceptance	-	-	-	590,119	-	590,119
Islamic medium term notes	-	5,000,000	-	1,100,000	-	6,100,000
Total	-	6,951,115	-	5,879,364	-	12,830,479

Exchange Rates Applied	At 31 March	
	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

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 March 2026, 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	(2,717,239)	(27,441)
b) Commodity futures contracts:		
- Less than 1 year	(84,178)	(112,928)
c) 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

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 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.

B11. Dividend

a) An interim single tier dividend of 20 sen per share has been authorised by the Directors in respect of the financial year ending 30 September 2026 (2025: 20 sen) and will be paid to the shareholders on 30 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 deposited into the Depositor's Securities Account before 12.30 p.m. on 8 July 2026 in respect of securities which are exempted from mandatory deposit;
- (ii) Securities transferred into the Depositor's Securities Account before 4.30 p.m. on 10 July 2026 in respect of transfers; and
- (iii) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

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

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
Net profit for the period attributable to equity holders of the Company (RM'000)	164,763	87,885	347,125	215,483
Weighted average number of shares ('000)	388,188	390,183	388,188	390,183
Earnings per share (sen)	42.44	22.52	89.42	55.23

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 March		6 months ended 31 March	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest income	(15,792)	(20,898)	(33,037)	(41,100)
Dividend income	(1,903)	(2,449)	(16,945)	(19,860)
Other income	(38,985)	(20,357)	(75,368)	(57,361)
Interest expense	119,855	128,460	240,278	255,533
Depreciation and amortisation	263,853	275,357	535,349	551,154
Provision for and write-off of receivables	491	3,344	2,730	2,320
(Write-back of)/Provision for inventories	(25,117)	(15,521)	4,443	(733)
Surplus on disposal of land	(125,673)	(1,773)	(126,848)	(2,341)
Surplus arising from government acquisition of land	(647)	(2,168)	(664)	(3,144)
Foreign exchange (gain)/loss	(80,026)	67,924	(49,248)	9,577
Loss on voluntary liquidation of an investment	-	-	2,580	-
Loss on derivatives	184,459	34,932	111,108	250,567
Exceptional items	-	-	-	-

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

18 May 2026