Second Quarter Report 2026

UNITED PLANTATIONS BERHAD

(Company Registration No. 191701000045 (240 A))

Jendarata Estate • 36009 Teluk Intan • Perak Darul Ridzuan • Malaysia

United Plantations Berhad

Condensed Consolidated Statement of Comprehensive Income for the Six Months Ended 30 June 2026

(The figures have not been audited)

(RM'000)	Quarter ended 30 June 2026	Quarter ended 30 June 2025	Changes (%)	6 Months ended 30 June 2026	6 Months ended 30 June 2025	Changes (%)
Revenue	**641,843**	638,424	0.5%	**1,282,426**	1,156,056	10.9%
Operating expenses	**(397,198)**	(342,343)	16.0%	**(852,944)**	(651,837)	30.9%
Other operating income	**15,792**	17,548	-10.0%	**36,043**	23,123	55.9%
Finance costs	**(570)**	(9)	6233.3%	**(577)**	(18)	3105.6%
Interest income	**3,490**	4,545	-23.2%	**7,571**	10,177	-25.6%
Share of results of joint ventures	**2,555**	10,937	-76.6%	**2,993**	14,025	-78.7%
Profit before taxation	**265,912**	329,102	-19.2%	**475,512**	551,526	-13.8%
Income tax expense	**(70,501)**	(78,398)	-10.1%	**(118,332)**	(136,364)	-13.2%
Profit after taxation	**195,411**	250,704	-22.1%	**357,180**	415,162	-14.0%
Profit for the period	**195,411**	250,704	-22.1%	**357,180**	415,162	-14.0%
Net profit attributable to:						
Equity holders of the parent	**194,003**	249,378	-22.2%	**354,658**	412,641	-14.1%
Non-controlling interests	**1,408**	1,326	6.2%	**2,522**	2,521	0.0%
	195,411	250,704	-22.1%	**357,180**	415,162	-14.0%
Earnings per share						
(i) Basic - based on 622,177,476 (2025:622,177,476) ordinary shares (sen)	**31.18**	40.08	-22.2%	**57.00**	66.32	-14.1%
(ii) Fully diluted (not applicable)	-	-	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2025.

Condensed Consolidated Statement of Comprehensive Income for the Six Months Ended 30 June 2026

(The figures have not been audited)

(RM'000)	Quarter ended 30 June 2026	Quarter ended 30 June 2025	Changes (%)	6 Months ended 30 June 2026	6 Months ended 30 June 2025	Changes (%)
Profit for the period	195,411	250,704	-22.1%	357,180	415,162	-14.0%
Other comprehensive income:						
Items that will be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	(7,599)	(9,618)	-21.0%	(11,583)	(22,324)	-48.1%
Cash flow hedge						
- changes in fair value	10,760	18,433	-41.6%	(71,458)	(1,649)	4233.4%
- transfers to profit or loss	17,735	(14,471)	222.6%	36,925	15,523	137.9%
Total Comprehensive income	216,307	245,048	-11.7%	311,064	406,712	-23.5%
Total comprehensive income attributable to:						
Equity holders of the parent	215,279	244,203	-11.8%	309,119	405,307	-23.7%
Non-controlling interests	1,028	845	21.7%	1,945	1,405	38.4%
	216,307	245,048	-11.7%	311,064	406,712	-23.5%

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2025.

United Plantations Berhad

Condensed Consolidated Statement of Financial Position as at 30 June 2026

(The figures have not been audited)

(RM'000)	30 June 2026	31 December 2025
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,277,798	1,279,417
Right-of-use assets	470,179	395,438
Associated company	50	50
Joint Ventures	113,253	110,260
Goodwill	356,856	356,856
Other receivables	1,111	1,198
Total non-current assets	2,219,247	2,143,219
Current Assets		
Biological assets	72,980	65,664
Inventories	290,555	299,042
Trade & other receivables	316,217	271,295
Prepayments	11,966	86,513
Tax recoverable	20,912	16,200
Derivatives	7,579	9,098
Cash and bank balances	291,252	425,771
Short term funds	2,409	2,370
Total current assets	1,013,870	1,175,953
Total assets	3,233,117	3,319,172
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	390,054	390,054
Treasury shares	(18,668)	(18,668)
Other reserves	(96,297)	(50,758)
Retained profits	2,402,877	2,552,183
	2,677,966	2,872,811
Non-controlling interests	6,742	8,501
Total equity	2,684,708	2,881,312
Non-Current Liabilities		
Deferred tax liabilities	171,639	175,490
Retirement benefit obligations	15,053	15,425
Derivatives	5,602	114
Lease liabilities	13,036	13,442
Total non-current liabilities	205,330	204,471
Current Liabilities		
Trade & other payables	154,800	148,925
Tax payable	77,867	71,271
Retirement benefit obligations	3,146	3,146
Lease liabilities	3	3
Derivatives	47,263	10,044
Bank borrowings	60,000	-
Total current liabilities	343,079	233,389
Total liabilities	548,409	437,860
Total equity and liabilities	3,233,117	3,319,172
Net assets per share (RM)	4.30	4.62

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2025.

Condensed Statement of Changes in Equity
for the Six Months Ended 30 June 2026
(The figures have not been audited)

(RM'000)	Share Capital	Treasury shares	Retained profits	Cash flow hedge reserve	Capital reserve	Translation reserve	Total	Non-controlling interests	Total equity
	Attributable to Equity Holders of the Parent								
Balance at 1 January 2026	390,054	(18,668)	2,552,183	(6,787)	21,798	(65,769)	2,872,811	8,501	2,881,312
Total comprehensive income for the period	-	-	354,658	(34,533)	-	(11,006)	309,119	1,945	311,064
Dividends, representing total transaction with owners	-	-	(503,964)	-	-	-	(503,964)	-	(503,964)
Dividends to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	(3,704)	(3,704)
Balance at 30 June 2026	**390,054**	**(18,668)**	**2,402,877**	**(41,320)**	**21,798**	**(76,775)**	**2,677,966**	**6,742**	**2,684,708**
Balance at 1 January 2025	390,054	(18,668)	2,461,328	(23,598)	21,798	(31,135)	2,799,779	17,450	2,817,229
Total comprehensive income for the period	-	-	412,641	13,874	-	(21,208)	405,307	1,405	406,712
Dividends, representing total transaction with owners	-	-	(460,411)	-	-	-	(460,411)	-	(460,411)
Dividends to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	(4,511)	(4,511)
Balance at 30 June 2025	**390,054**	**(18,668)**	**2,413,558**	**(9,724)**	**21,798**	**(52,343)**	**2,744,675**	**14,344**	**2,759,019**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes and the Annual Audited Financial Statements for the year ended 31 December 2025.

United Plantations Berhad

Condensed Consolidated Cash Flow Statements
for the Six Months Ended 30 June 2026
(The figures have not been audited)

(RM'000)	6 Months ended 30 June 2026	2025
Operating Activities		
-Receipts from operations	1,280,080	1,165,317
-Operating payments	(794,788)	(721,557)
-(Placement)/recovery of deposits in derivative operations	(50,616)	24,375
Cash flow from operations	434,676	468,135
Other operating receipts	35,745	20,535
Taxes paid	(109,446)	(85,086)
Cash flow from operating activities	360,975	403,584
Investing Activities		
- Proceeds from sale of property, plant and equipment	298	2,588
- Interest received	7,847	10,396
- Purchase of property, plant and equipment	(53,000)	(55,721)
- Payment for right-of-use assets	(576)	(1,257)
- Net change in short term funds	(39)	(40)
Cash flow from investing activities	(45,470)	(44,034)
Financing Activities		
- Dividends paid	(503,964)	(460,411)
- Dividends paid to non-controlling shareholders of a subsidiary	(3,704)	(4,511)
- Finance costs paid	(577)	(18)
- Associated company	23	(3)
- Joint venture	(1,802)	8,049
- Net drawdown from short term borrowings	60,000	-
Cash flow from financing activities	(450,024)	(456,894)
Net Change in Cash & Cash Equivalents	(134,519)	(97,344)
Cash & Cash Equivalents at beginning of year	425,771	484,528
Cash & Cash Equivalents at end of period	291,252	387,184

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2025.

Short Term Funds of RM2,409,000 (2025: RM2,331,000) are excluded from Cash Flow Statements due to reclassification of Short Term Funds from Cash & Cash Equivalents.

A1) ACCOUNTING POLICIES AND BASIS OF PREPARATION

The interim financial statements of the Group for the financial period ended 30 June 2026 are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2025. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2025.

At the date of authorization of these interim financial statements, the following MFRSs were issued but not yet effective and have not been applied by the Group:

MFRS	Effective for annual periods beginning on or after
• Amendments to MFRS 18: Presentation and Disclosure in Financial Statements	1 Jan 2027
• Amendments to MFRS 19: Subsidiaries without Public Accountability (Disclosures)	1 Jan 2027
• Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 Jan 2027
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A2) AUDIT REPORT

The auditor's report on the financial statements for the financial year ended 31 December 2025 was not qualified.

A3) SEASONAL AND CYCLICAL NATURE OF GROUP'S PRODUCTS AND OPERATIONS

The prices of the Group's products are not entirely within its control, as they are influenced by global supply and demand dynamics for edible oils and are, to some extent, correlated with mineral oil prices.

Crop production is seasonal in nature. Historically, the Group's production of crude palm oil ("CPO") and palm kernel ("PK") increases gradually from March or April, peaks between July and September, and then declines from October to February. This pattern may be affected by severe global weather conditions such as El Niño and La Niña.

Accordingly, the Group's profitability is largely dependent on both the prices achievable for its products and the volume of production, which are inherently cyclical.

A4) EXCEPTIONAL AND EXTRAORDINARY ITEMS

There were no exceptional or extraordinary items for the current period.

A5) CHANGES IN ESTIMATES

There were no material changes to estimates made in prior quarter.

A6) **EQUITY AND DEBT SECURITIES**

As at 30 June 2026, the Group held 2,225,322 treasury shares, with no share buy-backs, cancellations, re-sales, or distributions of treasury shares during the current period. Additionally, there were no new issuances of shares or debt instruments in the current period.

A7) **DIVIDENDS PAID**

The following dividends were paid on 8 May 2026 in respect of the financial year ended 31 December 2025: -

Ordinary	RM'000
Final Dividend of 51 sen paid	317,311
Final special Dividend of 30 sen paid	186,653
Total	503,964

A8) **SEGMENTAL INFORMATION**

The revenues and profit generated by each of the Group's operating segments, together with segment assets and liabilities, are summarised as follows:

	6 months ended 30 June 2026				
(RM'000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue:					
External sales	418,241	864,185	-	-	1,282,426
Inter-segment sales	330,879	-	-	(330,879)	-
	749,120	864,185	-	(330,879)	1,282,426
Segment Results:					
Operating profit	457,926	7,598	1	-	465,525
Investment and interest income	6,555	1,617	356	(957)	7,571
Interest expense	(16)	(1,518)	-	957	(577)
Share of results of joint ventures	2	2,991	-	-	2,993
Profit before tax	464,467	10,688	357	-	475,512
Taxation	(110,542)	(667)	(7,123)	-	(118,332)
Profit after tax	353,925	10,021	(6,766)	-	357,180
Assets:					
Segment assets	2,254,947	795,680	69,187	-	3,119,814
Investment in an associated company	-	-	50	-	50
Investment in joint ventures	466	112,786	-	-	113,253
Consolidated assets					3,233,117
Consolidated liabilities	405,045	143,312	52	-	548,409

	6 months ended 30 June 2025				
(RM'000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue:					
External sales	409,168	746,888	-	-	1,156,056
Inter-segment sales	342,625	-	-	(342,625)	-
	751,793	746,888	-	(342,625)	1,156,056
Segment Results:					
Operating profit/(loss)	481,365	46,900	(923)	-	527,342
Investment and interest income	8,160	2,307	109	(399)	10,177
Interest expense	(17)	(400)	-	399	(18)
Share of results of joint ventures	3	14,022	-	-	14,025
Profit before tax	489,511	62,829	(814)	-	551,526
Taxation	(117,282)	(11,343)	(7,739)	-	(136,364)
Profit after tax	372,229	51,486	(8553)	-	415,162
Assets:					
Segment assets	2,311,361	777,121	6,099	-	3,091,581
Investment in an associated company	-	-	50	-	50
Investment in joint ventures	495	100,762	-	-	101,257
Consolidated assets					3,195,888
Consolidated liabilities	384,406	52,414	49	-	436,869

A9) VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuations of land and buildings have been brought forward without amendments from the financial statements for the year ended 31 December 2025.

A10) EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the balance sheet date.

A11) CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the Group's composition during the period, including any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations.

A12) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 22 July 2026.

B1) DIRECTORS' ANALYSIS OF THE GROUP'S PERFORMANCE FOR 6 MONTHS ENDED 30 JUNE 2026

The Group recorded revenue of RM1,282.4 million for the current period, an increase of 10.9% from RM1,156.1 million in the corresponding period. The growth in revenue was primarily driven by the refinery segment, supported by higher refinery sales volumes.

The Group reported a profit before tax of RM475.5 million for the current period, representing a decrease of 13.8% from RM551.5 million in the corresponding period. This was mainly attributable to weaker performances in both the plantation and refinery segments, particularly the refinery segment which recorded a significant decline of 83% in profit before tax.

Group net interest income was lower by 25.6% to RM7.6 million, compared with RM10.2 million in the corresponding period, mainly due to lower deposit balances during the current period.

The analysis of the performance in accordance with the segments is as follows:

<u>Plantations</u>

Revenue from the Group's principal segment for the current period was RM749.1 million, a marginal decrease of 0.4% from RM751.8 million recorded in the corresponding period last year. This decrease was primarily attributable to the lower average selling price of CPO, partially offset by higher production volumes of CPO and PK, as well as a higher average selling price of PK.

CPO and PK production increased by 0.3% and 3.7%, respectively, compared to the corresponding period. The average selling price of CPO decreased by 4.7% to RM4,156 per metric tonne, while the average selling price of PK increased by 2.4% to RM3,392 per metric tonne when compared to the corresponding period.

The average selling prices of CPO and PK for the current and corresponding period were as shown below.

Countries	Products	June 2026 Current Period (RM/MT)	June 2025 Current Period (RM/MT)
Malaysia	CPO	4,307	4,502
Indonesia	CPO	3,429	3,711
Average	CPO	4,156	4,361
Malaysia	PK	3,427	3,338
Indonesia	PK	3,230	3,192
Average	PK	3,392	3,312

As a result of the above, profit before tax for this segment decreased by 5.1% in the current period. The CPO windfall tax incurred amounted to RM18.0 million, representing a decrease of 1.6% compared with the corresponding period, mainly due to lower MPOB prices during the current period.

<u>Refinery</u>

Revenue from the refinery segment increased by 15.7% to RM864.2 million in the current period, compared to RM746.9 million in the corresponding period, primarily driven by the higher sales volume. However, despite the higher revenue, this segment recorded a significantly lower profit before tax of RM10.7 million mainly due to timing differences of raw materials hedges (sales on BMD futures and purchase of physical CPO for production) versus delivery of finished goods. The immediate hedging loss recognized upon closing of the earlier hedged raw materials positions will be reversed upon delivery of the finished goods in the next quarters. Furthermore, lower contributions arising from the strengthening of the Ringgit against the USD also impacted the results negatively.

The profit before tax of the refinery segment includes the share of results from its joint venture, Unifuji Sdn Bhd, which is equity accounted. The joint venture recorded a profit before tax of RM6.0 million in the current period which was significantly lower than RM32.1 million in the corresponding period. The decline was mainly driven by lower margins and foreign exchange hedging losses incurred during the current period. These hedging activities were undertaken to secure margins on finished products and are expected to be recovered from future export proceeds upon delivery of the contracted products.

The current refinery results are not reflective of the underlying business, and it is expected that the results of this segment will improve in the coming quarters.

B2) COMPARISON OF RESULTS WITH PRECEDING QUARTER

(RM'000)	Current Quarter 30/6/2026	Preceding Quarter 31/3/2026	Changes %
Revenue	641,843	640,583	0.2%
Interest income	3,490	4,081	(14.5%)
Profit Before Tax	265,912	209,600	26.9%
Profit After Tax	195,411	161,769	20.8%

The Group recorded revenue of RM641.8 million for the current quarter, representing a marginal increase of 0.2% from RM640.6 million in the preceding quarter. The increase was mainly attributable to higher revenue from the plantation segment, partially offset by lower revenue from the refinery segment.

Profit before tax for the current quarter amounted to RM265.9 million, an increase of 26.9% compared with the preceding quarter, mainly due to stronger contributions from both the plantation and refinery segments.

The Group's interest income decreased by 14.5% compared with the preceding quarter, primarily due to lower deposit balances during the current quarter.

The quarterly segmental analysis is as follows:

Plantations

Revenue from the plantation segment increased by 10.0% in the current quarter compared with the preceding quarter, primarily driven by higher production of CPO and PK, as well as a higher average selling price of PK. CPO and PK production increased by 13.2% and 9.9% respectively. The average selling price of CPO declined marginally by 0.8%, while the average selling price of PK increased by 8.0% compared with the preceding quarter.

Profit before tax for this segment amounted to RM252.2 million, an increase of 18.8% compared with the preceding quarter. The improvement was mainly attributable to higher production volumes and favourable PK prices, as well as lower production costs arising from reduced manuring expenses during the current quarter.

CPO windfall tax incurred increased by 58.6% compared with the preceding quarter, mainly due to higher production volumes and higher average MPOB prices.

Refinery

Revenue from the refinery segment decreased by 4.8% to RM421.4 million in the current quarter, compared to RM442.8 million in the corresponding quarter, primarily driven by the lower sales volume.

This segment reported a profit before tax of RM13.3 million in the current quarter, compared to a loss before tax of RM2.6 million in the preceding quarter. This was mainly because of the partial reversal of the hedging losses through buy backs of earlier sold BMD futures.

The profit before tax of the refinery segment includes the share of results from its joint venture, Unifuji Sdn Bhd, which is equity accounted. The joint venture recorded a profit before tax of RM2.1 million in the current quarter (contributing a share of profit after tax of RM2.6 million, as a result of reversals of overprovision of taxes from previous periods) compared to a profit before tax of RM3.9 million (contributing a share of profit after tax of RM0.4 million) in the preceding quarter. The decline was mainly due to foreign exchange hedging losses incurred during the current quarter. These hedging activities were undertaken to secure margins on finished products and are expected to be recovered from future export proceeds upon delivery of the contracted products.

The current refinery results are not reflective of the underlying business, and it is expected that the results of this segment will improve in the coming quarters.

B3) PROSPECTS AND OUTLOOK

During the second quarter of 2026, palm oil prices traded in a relatively firm range from a low of RM4,370/MT to a high of RM4,918/MT for the third month position. Although prices softened towards the end of the quarter following lower crude oil prices, the market remained supported by expanding global biodiesel mandates, particularly in Indonesia and, notably, the United States.

Looking ahead, the key factors to monitor will be developments in global energy markets, the implementation of Indonesia's biodiesel programme, weather conditions across the major vegetable oil producing regions and, in particular, whether a potential strong El Niño event materialises later this year across Indonesia, Malaysia and Thailand.

Over the longer term, growth in global palm oil production has moderated compared with the strong expansion experienced during the 2010–2020 period. This reflects a combination of structural factors, including the continued delay in replanting ageing oil palm stands, especially in Indonesia and Malaysia, together with increasingly stringent environmental requirements that have significantly curtailed acreage expansion. These factors are expected to become even more influential in the years ahead.

Crude palm oil production in Malaysia increased only marginally during the first six months of 2026 compared with the corresponding period last year, supported by a stable labour situation and generally favourable weather conditions, with no significant El Niño impact experienced thus far. Despite the modest increase in production, Malaysian palm oil inventories have declined from the beginning of the year due to stronger export demand. Nevertheless, crude palm oil stocks at the end of June were at 2.5 million MT which is 25% higher compared to the first 6 months last year.

As Malaysia enters its seasonal peak production period from July to September, the extent of the seasonal increase in production, together with export demand, will be important in determining whether inventories begin to go even higher thus influencing the direction of palm oil prices during the second half of the year.

This combined with the Global economic growth outlook, geopolitical developments and energy prices will also have a strong influence on overall vegetable oil demand and pricing. Against this backdrop, Management remains focused on operational excellence through disciplined agronomic practices, ongoing mechanisation initiatives and the replanting of older and less productive oil palm stands with our latest in-house superior planting materials. Maintaining high yields, improving productivity and containing costs remain fundamental to safeguarding the Group's competitiveness amidst continuing pressure from rising labour, energy and other input costs.

The downstream refining sector continues to operate in a challenging environment, with profitability across the industry remaining under pressure due to intense regional competition and continued margin compression. Nevertheless, based on the current palm oil price environment, supportive biodiesel fundamentals and the Group's continued focus on securing its crop and maintaining operational discipline, the Board of Directors continues to expect that the results for 2026 will be satisfactory.

B4) PROFIT FORECASTS

The Group has not issued any profit forecasts for the period under review.

B5) OPERATING PROFIT

Included in the operating profit are the following:

(RM'000)	*Current Quarter*	*Current year-to-date*
Depreciation and amortisation	(28,718)	(57,536)
Realised foreign exchange gains	9,250	17,427
Realised losses on commodities futures contracts	(29,231)	(55,362)
Fair value gains/(losses):		
- Forward foreign exchange contracts	(824)	(1,087)
- Commodities futures contracts	6,713	8,075
Gains on disposal of property, plant and equipment	19	135

B6) TAXATION

The charge for taxation for the period ended 30 June 2026 comprises:

(RM'000)	*Current Quarter*	*Current year-to-date*
Current taxation	64,885	111,330
Deferred taxation	5,616	7,002
	70,501	118,332
Profit before taxation	265,912	475,512
Tax at the statutory income tax rate of 24%	63,819	114,123
Tax effect of different tax rate in other country	(721)	(1,290)
Tax effects in determining taxable profit:		
Tax effects on share of results of joint ventures	(613)	(718)
Under/ (over) provision of deferred tax expense in prior years	390	(1,475)
Expenses not deductible	589	654
Income tax expense	63,464	111,295
Withholding tax on dividend from a foreign subsidiary	7,037	7,037
Total tax expense	70,501	118,332

B7) CORPORATE PROPOSALS

There were no corporate proposals announced as at 22 July 2026.

B8) GROUP BORROWINGS

All Group borrowings were unsecured, short term and denominated in Ringgit Malaysia only and outstanding balance as at 30 June 2026 was RM60 million.

B9) FINANCIAL INSTRUMENTS

a) **Derivatives**

Derivatives not designated as hedging instruments

The Group uses forward currency contracts and commodity futures contracts to manage its exposure to currency and price risks, as well as to take advantage of favourable market conditions. The forward currency contract is not designated as cash flow or fair value hedges and is entered into for quarters consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Derivatives designated as hedging instruments – Cash flow hedge

Commencing from 1 October 2018, the Group has designated certain commodity futures contracts as hedging derivatives to reduce the volatility attributable to price fluctuations of crude palm oil ("CPO"). Hedging of the price volatility of forecast CPO is in accordance with the risk management strategy outlined by the Board of Directors.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity price and commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships between the CPO sold and the forward commodity contracts as the underlying risk of the commodity price and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The fair values of these derivatives as at 30 June 2026 are as follows:

	Contract/ Notional Amount RM'000	Assets RM'000	Liabilities RM'000
Current			
Non-hedging derivatives:			
Forward currency contracts	443,124	2,235	-
Commodity futures contracts	496,294	5,344	-
Hedging derivatives:			
Commodity futures contracts	581,056	-	(47,263)
		7,579	(47,263)
Non-current			
Hedging derivatives:			
Commodity futures contracts	131,734	-	(5,602)
		-	(5,602)
Total derivatives		7,579	(52,865)

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial year ended 31 December 2025.

The description, notional amount and maturity profile of each derivative are shown below:

i) Forward currency contracts

Forward currency contracts are used to hedge the Group's sales and purchases denominated in USD for which firm commitments existed at the reporting date.

The forward currency contracts are stated at fair value. Fair value of the forward currency contracts is determined by reference to the difference between the contracted rate and the market rate as at the reporting date.

As at 30 June 2026, the notional amount, fair value and maturity tenor of the forward currency contracts are as follows:

	Contract/ Notional Amount RM'000	Fair Value Assets RM'000
- less than 1 year	443,124	2,235
	443,124	2,235

ii) Commodity futures contracts

Commodity futures contracts are used to manage and hedge the Group's exposure to adverse price movements in vegetable oil commodities.

The commodity futures contracts are stated at fair value. Fair value of the commodity futures contracts is determined by reference to the difference between the contracted rate and the forward rate as at the reporting date.

As at 30 June 2026, the notional amount, fair value and maturity tenor of the commodity futures contracts are as follows:

	Contract/ Notional Amount RM'000	Fair Value Liabilities RM'000
- less than 1 year	1,077,350	(41,919)
- 1 year to less than 3 years	131,734	(5,602)
	1,209,084	(47,521)

b) Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting quarter, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

B10) MATERIAL LITIGATION

There was no material litigation as at 22 July 2026.

B11) PROPOSED DIVIDENDS

No interim dividend has been declared or proposed for the year ending 31 December 2026.

B12) EARNINGS PER SHARE (EPS)

The calculation of EPS is based on profit attributable to the ordinary equity holders of the parent company of RM354,658,000 (2025: RM412,641,000) and the weighted average number of ordinary shares of 622,177,476 (2025: 622,177,476) in issue during the period.

By Order of the Board

Ng Eng Ho
Company Secretary

Jendarata Estate
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22 July 2026

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