



Annual Report

2025

KUALA LUMPUR KEPONG BERHAD

197301001526 (15043-V)



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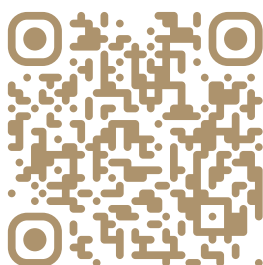
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Access our Annual Report in digital format by scanning the QR code here

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SERI LEE OI HIAN

Executive Chairman

DATO' LEE HAU HIAN

Non-Independent Non-Executive Director

DATO' YEOH ENG KHOON

Non-Independent Non-Executive Director

QUAH POH KEAT

Senior Independent Non-Executive Director

ANNE RODRIGUES

Independent Non-Executive Director

LEE JIA ZHANG

Chief Operating Officer/Executive Director

CHERYL KHOR HUI PENG

Independent Non-Executive Director

TAN SRI SHAHRIL RIDZA BIN RIDZUAN

Independent Non-Executive Director

TUNKU ALIZAKRI BIN RAJA MUHAMMAD ALIAS

Independent Non-Executive Director

TAN TING MIN

Independent Non-Executive Director



COMPANY SECRETARY

Chang Pooi Yee

AUDITORS

BDO PLT

PLACE OF INCORPORATION AND DOMICILE

In Malaysia as a public limited liability company

REGISTERED OFFICE/PRINCIPAL PLACE OF BUSINESS

Wisma Taiko

No. 1, Jalan S.P. Seenivasagam,

30000 Ipoh,

Perak, Malaysia

Tel : +605-240 8000

Fax : +605-240 8115

Email : cosec@klk.com.my

Website : www.klk.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony,

No. 5, Jalan Prof. Khoo Kay Kim,

Seksyen 13,

46200 Petaling Jaya,

Selangor, Malaysia

Tel : +603-7890 4700

Fax : +603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

Website : www.boardroomlimited.com

PRINCIPAL BANKERS

CIMB Bank Berhad

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

OCBC Bank (Malaysia) Berhad

Public Bank Berhad

RHB Bank Berhad

United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia

Securities Berhad on 6 February 1974

Stock Code : 2445

Stock Name : KLK



FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 30 SEPTEMBER 2025

ANNOUNCEMENT OF QUARTERLY RESULTS

First Quarter

28 FEBRUARY 2025

Second Quarter

22 MAY 2025

Third Quarter

27 AUGUST 2025

Fourth Quarter

26 NOVEMBER 2025

INTERIM DIVIDEND

Announcement

22 MAY 2025

Entitlement Date

10 JULY 2025

Payment Date

29 JULY 2025

FINAL DIVIDEND

Announcement

26 NOVEMBER 2025

Entitlement Date

30 JANUARY 2026

Payment Date

10 FEBRUARY 2026

53RD

ANNUAL GENERAL MEETING



Day/Date:

Wednesday
25 February 2026



Time:

12.00 noon



Venue:

Conference Hall
Ground Floor
Wisma Taiko
No. 1, Jalan S.P. Seenivasagam
30000 Ipoh, Perak
Malaysia



KEY INDICATORS

REVENUE

FY2025

RM25.02

billion

FY2024

RM22.27

billion

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

FY2025

RM817.3

million

FY2024

RM591.0

million

SHARE PRICE

30 September 2025:

RM20.60

30 September 2024:

RM20.54

DIVIDEND PER SHARE

FY2025

60 SEN

FY2024

60 SEN

MARKET CAPITALISATION*

30 September 2025:

RM22.94

billion

30 September 2024:

RM22.52

billion

EARNINGS PER SHARE

FY2025

73.9 SEN

FY2024

54.3 SEN

* Based on closing price on 30 September 2025

CORPORATE PROFILE



PLANTATION

Kuala Lumpur Kepong Berhad (KLK) started as a plantation company in 1906 and until today, the development of oil palm and rubber remains the Group's core business. KLK presently has about 300,000 hectares of planted area (98% oil palm). Our landbank is spread across Malaysia (Peninsular and Sabah), Indonesia (Belitung Island, Sumatra, as well as Kalimantan), and Liberia.

MANUFACTURING

In order to optimise value across the supply chain, KLK diversified into resource-based manufacturing (refinery and oleochemical), and vertically integrated its upstream, midstream and downstream businesses. The Group has since expanded its manufacturing operations resulting in an international oleochemicals operations in Malaysia, Indonesia, China, and Europe.



PROPERTY DEVELOPMENT

In 1990, KLK started capitalising on the strategic location of its landbank in Peninsular Malaysia by branching into property development under KLK Land. Today its focus is on township developments in Bandar Seri Coalfields (1,001 acres) in Sungai Buloh and Caledonia (202 acres) in Ijok, Selangor. In 2024, it ventured into industrial development through a joint venture with AME Elite Consortium Berhad to develop a new industrial park in Ijok, Selangor. In 2025, KLK TechPark series was introduced with a 1,500-acre freehold industrial park in Tanjong Malim, Perak.

VISION, MISSION AND VALUES

VISION

Globally recognised agri-based organisation trusted for our efficiency and our values, with aspiration to be a beacon of our industry. A responsible steward of resources and people under our care.

MISSION

We are a growth organisation, steered by KLK's values, **T.H.R.I.I.L.**
Our core missions are:



Operational Excellence

Commit to be the best-in-class in productivity through the pursuit of good agricultural practices and innovation.



People

Develop and empower every individual in building a highly competent and inspired team to achieve the organisation's full potential.



Sustainability

Commit to deliver positive impact to people and planet in a sustainable way for future generations.



Ethics

Guided by the values of our founder's legacy, we act with integrity, transparency, and a strong commitment to governance.

VALUES



TEAMWORK

Going beyond geographical, divisional and functional boundaries to achieve common goals. Collaboration is at the heart of all we do.



HUMILITY

Having an open mind to recognise the strength of others and willingness to stretch ourselves and grow.



RESULTS

Committed to exceptional execution and excellence to make a difference in everything we do.



INTEGRITY

Ethical leadership with a strong moral compass that inspires every individual to do the right thing.



INNOVATION

Levelling up through new ideas and continuous improvement to consistently exceed expectations.

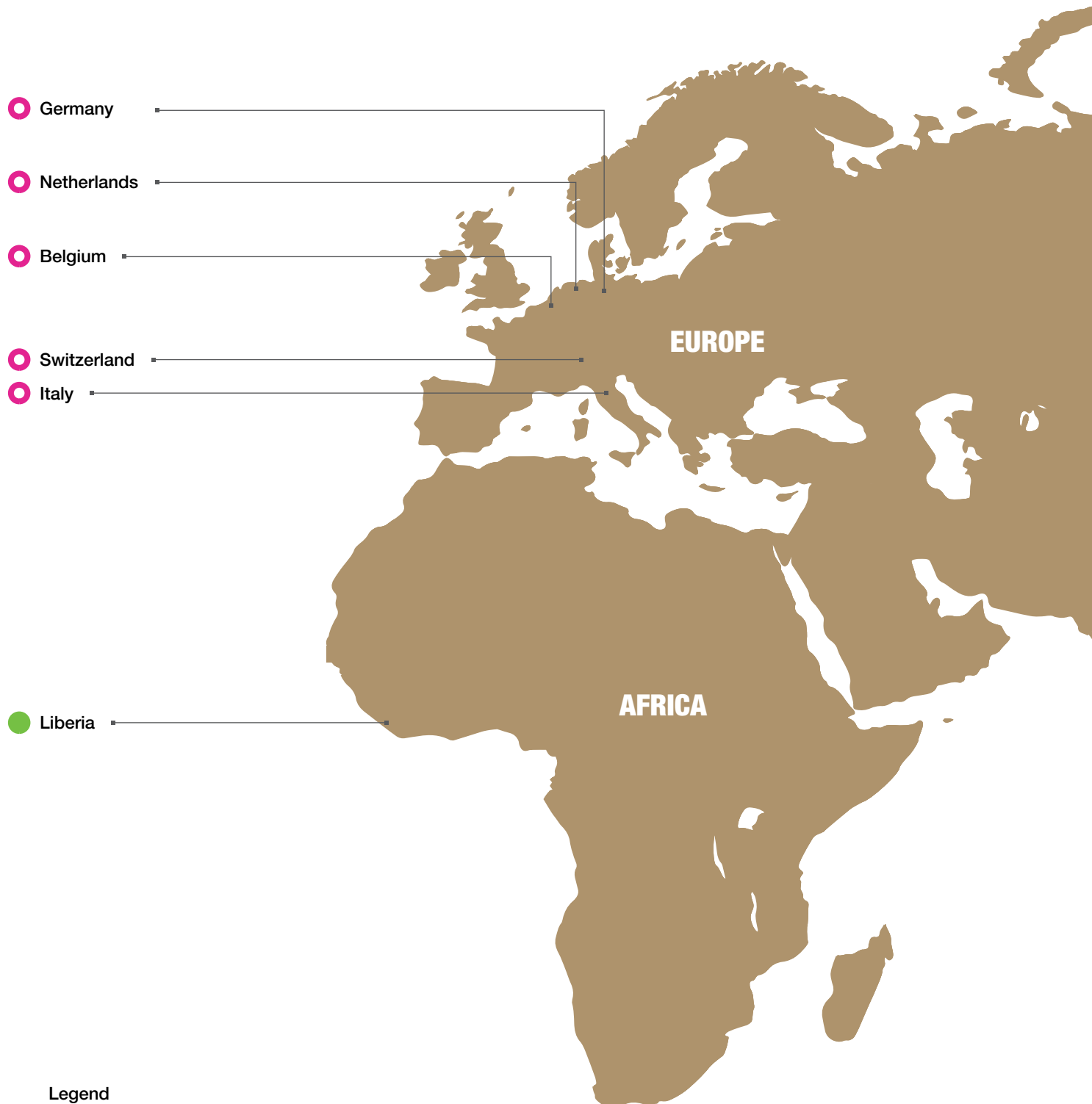


LOYALTY

Committed to building a better future together, with mutual trust and care while upholding the Company's interest as our own.

LOCATION OF THE GROUP'S OPERATIONS

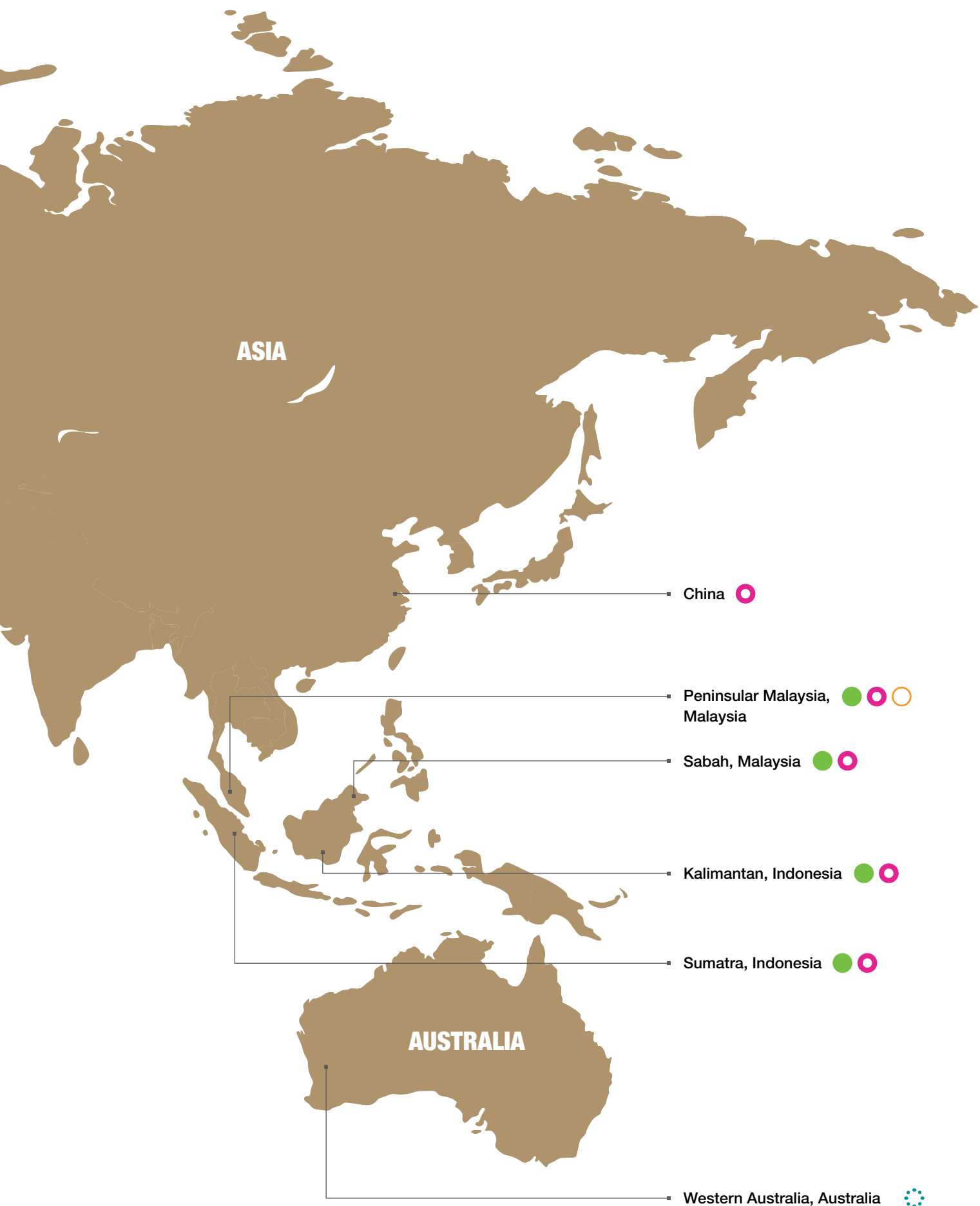
AS AT 30 SEPTEMBER 2025



Legend

-  Plantation
-  Manufacturing
-  Property Development
-  Others (Farming)

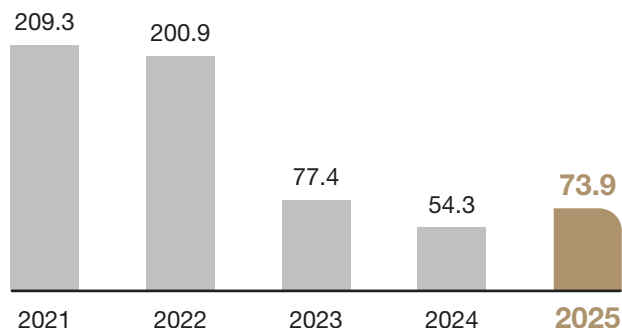
KLK OLEO has international sales offices located in New York, USA and Mumbai, India.



FINANCIAL HIGHLIGHTS

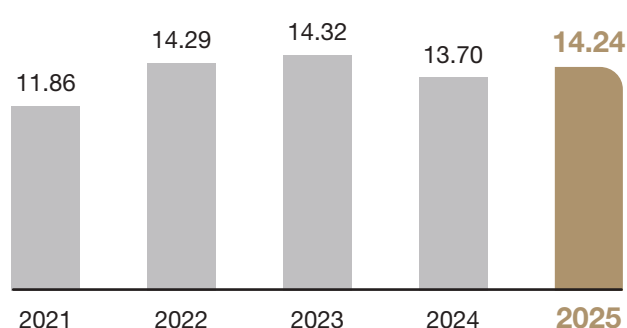
EARNINGS PER SHARE

(SEN)



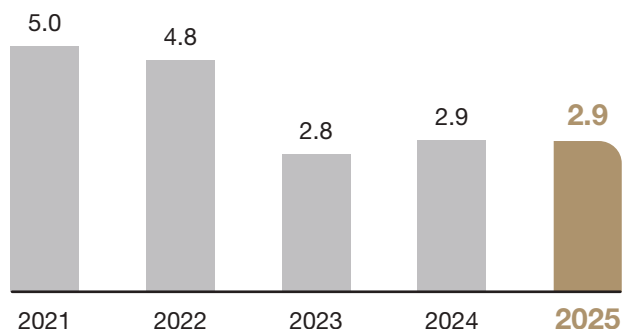
SHAREHOLDERS' EQUITY

(RM BILLION)



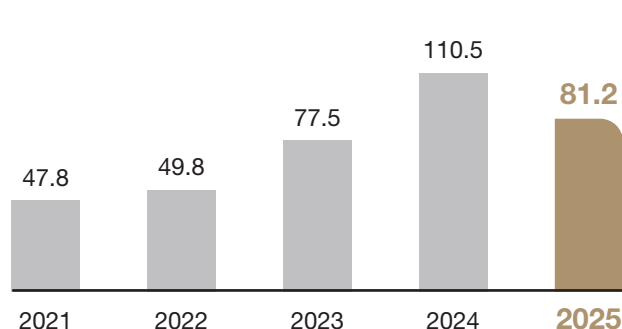
DIVIDEND YIELD

(%)



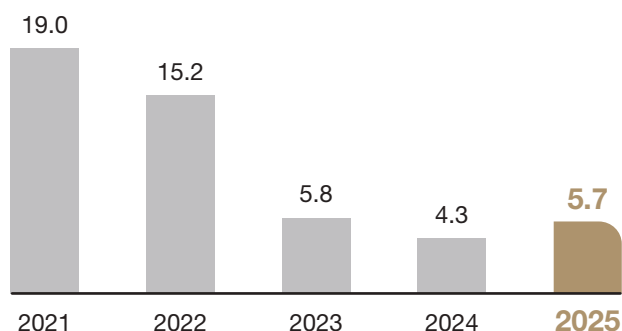
DIVIDEND PAYOUT

(%)



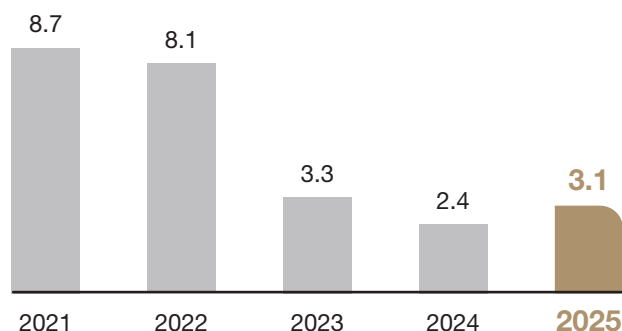
RETURN ON SHAREHOLDERS' EQUITY

(%)



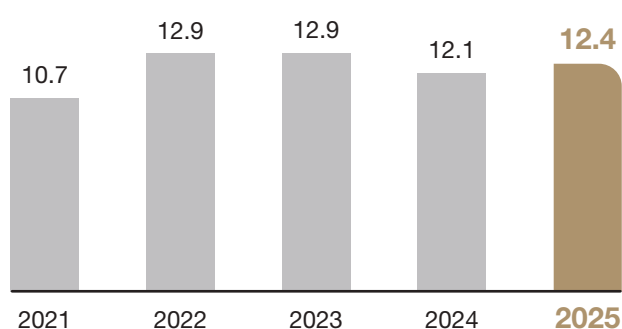
RETURN ON TOTAL ASSETS

(%)



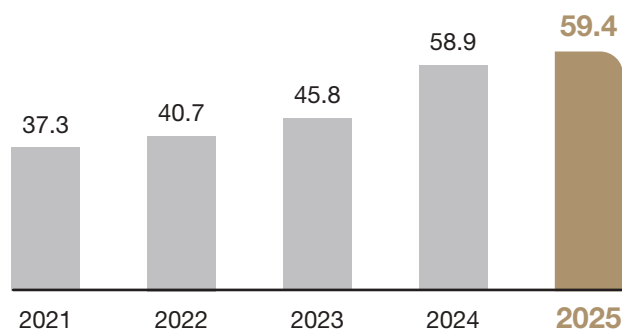
NET TANGIBLE ASSETS PER SHARE

(RM)



NET DEBT TO EQUITY RATIO

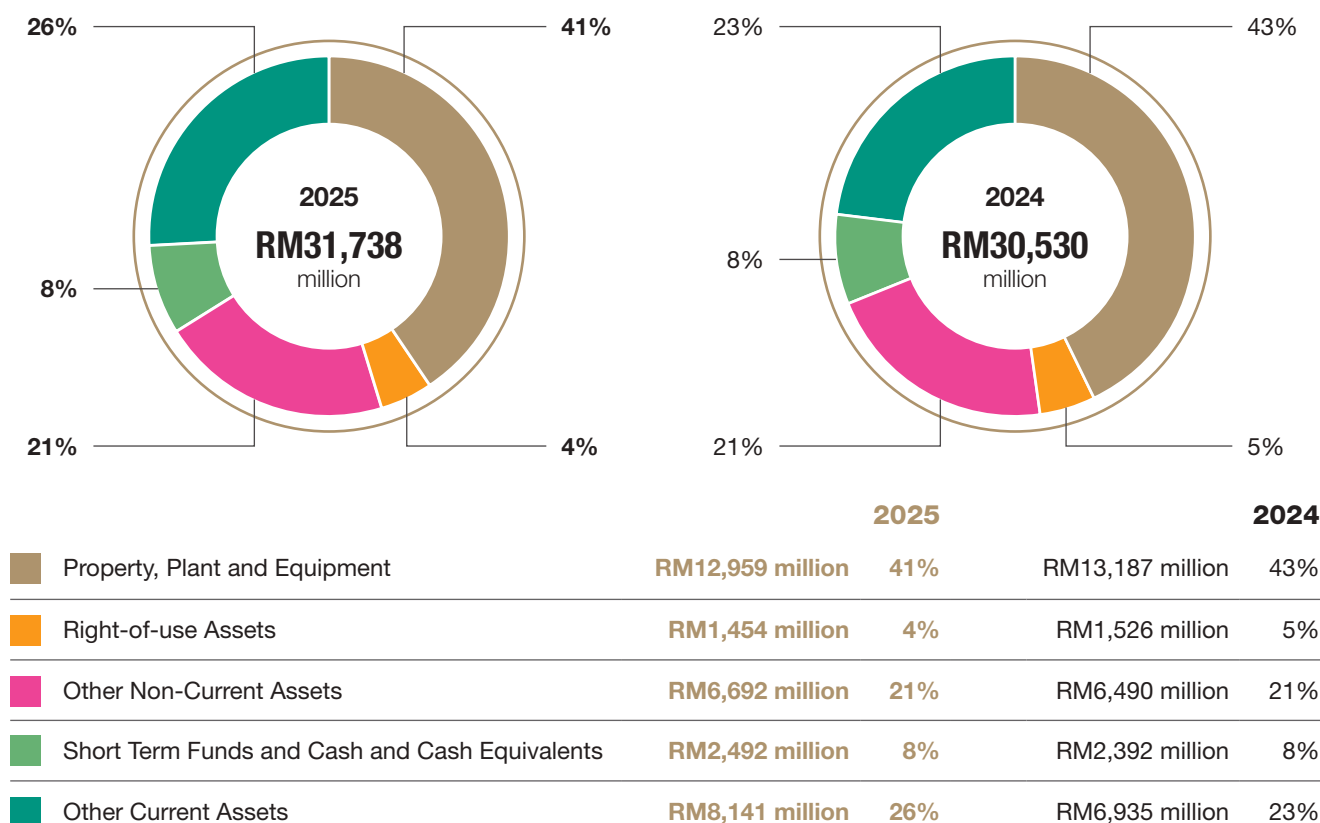
(%)



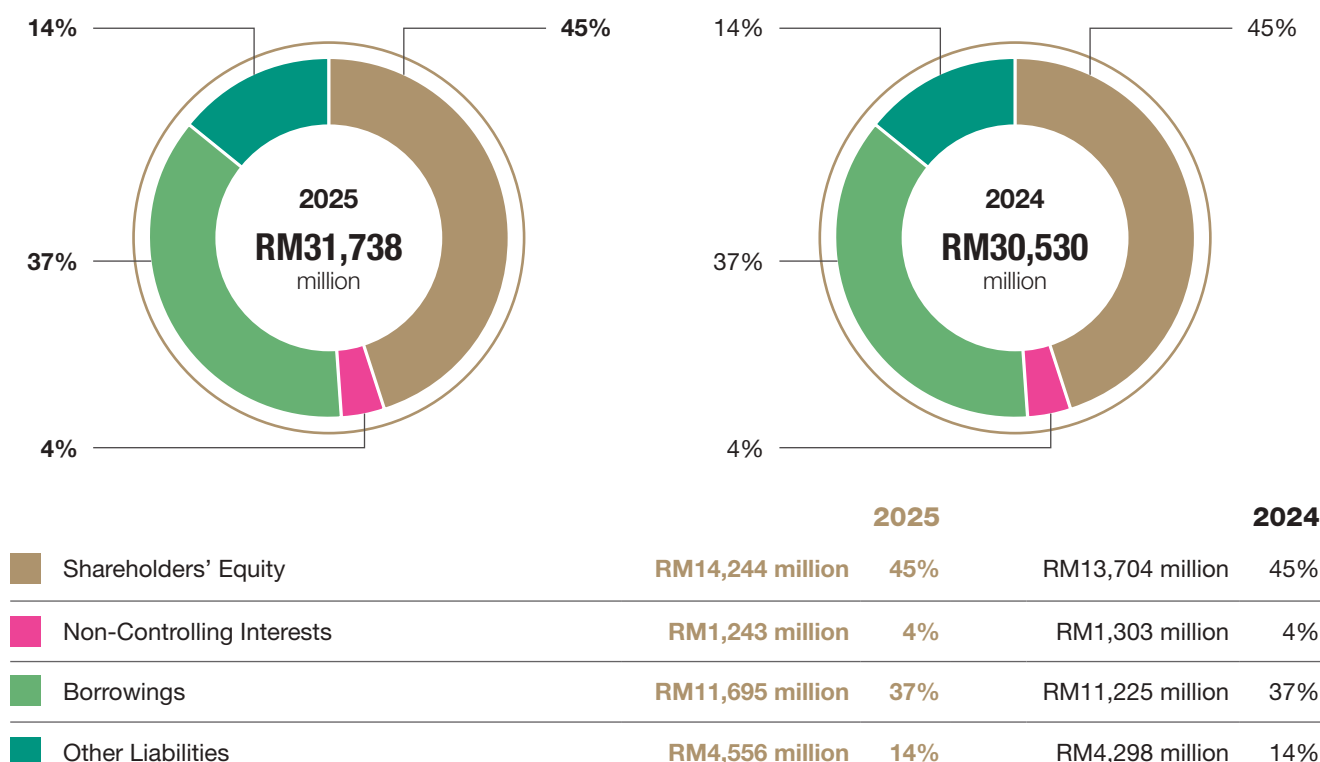
SIMPLIFIED GROUP ASSETS & LIABILITIES

AS AT 30 SEPTEMBER 2025

TOTAL ASSETS



TOTAL EQUITY & LIABILITIES



PROFILE OF DIRECTORS



TAN SRI DATO' SERI LEE OI HIAN

EXECUTIVE CHAIRMAN

74 ■ Male ■ Malaysian

Joined the Board on
1 February 1985

Meeting
Attendance

5/5

Tan Sri Dato' Seri Lee Oi Hian graduated with a Bachelor of Agricultural Science (Honours) degree from the University of Malaya and obtained his Master in Business Administration from Harvard Business School.

He joined the Company in 1974 as an executive and was subsequently appointed to the Board in 1985. In 1993, he was appointed as the Group's Chairman/Chief Executive Officer (CEO) and held the position until 2008, when he relinquished his role as Chairman, but remained as CEO of the Group. He was redesignated as Executive Chairman of KLK with effect from 22 February 2024.

He is the Chairman of Batu Kawan Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He also serves as a member on the Board of Trustees of the Perdana Leadership Foundation, UTAR Education Foundation, Yayasan Wesley and Hospital Universiti Tunku Abdul Rahman. He was formerly the Chairman of the Malaysian Palm Oil Council.

Tan Sri Dato' Seri Lee is the brother of Dato' Lee Hau Hian and the father of Mr. Lee Jia Zhang. He is deemed connected with Batu Kawan Berhad, one of the major shareholders of KLK, and is also deemed interested in various related party transactions with the KLK Group.



DATO' LEE HAU HIAN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Nomination and Remuneration Committee

72 ■ Male ■ Malaysian

Joined the Board on
20 December 1993

Meeting
Attendance

5/5

Dato' Lee Hau Hian graduated with a Bachelor of Science (Economics) degree from the London School of Economics and has a Master in Business Administration from Stanford University.

He is the Managing Director of Batu Kawan Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, the Chairman of Chemical Company of Malaysia Berhad and a Director of Synthomer plc, a company listed on the London Stock Exchange. He is also the President of the Perak Chinese Maternity Association and the Chairman of Yayasan KLK. He also serves as a member on the Board of Trustees of the Tan Sri Lee Loy Seng Foundation and Yayasan De La Salle.

He is the brother of Tan Sri Dato' Seri Lee Oi Hian and the uncle of Mr. Lee Jia Zhang. He is deemed connected with Batu Kawan Berhad, a major shareholder of KLK, and is also deemed interested in various related party transactions with the KLK Group.



DATO' YEOH ENG KHOON

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Audit and Risk Committee

78 ■ Male ■ Malaysian

Joined the Board on
24 February 2005

Meeting
Attendance

5/5

Dato' Yeoh Eng Khoon obtained his Bachelor of Arts (Honours) degree in Economics (Business Administration) from the University of Malaya in 1968 and was called to the Bar of England and Wales at Lincoln's Inn in 1979.

He has previous work experience in banking, manufacturing and retail business.

He is a Director of Batu Kawan Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.



QUAH POH KEAT

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Audit and Risk Committee

73 ■ Male ■ Malaysian

Appointed to the Board on
18 February 2016

Meeting
Attendance

5/5

Mr. Quah Poh Keat is a Fellow of the Malaysian Institute of Taxation and the Association of Chartered Certified Accountants, and a Member of the Malaysian Institute of Accountants, the Malaysian Institute of Certified Public Accountants and Chartered Institute of Management Accountants.

He was a partner of KPMG since October 1982 and was appointed Senior Partner (also known as Managing Partner in other practices) in October 2000 until 30 September 2007. He retired from the firm on 31 December 2007.

He had served as a Director of Public Bank Berhad Group from 30 July 2008 to 1 October 2013 until his appointment as the Deputy CEO of Public Bank from 1 October 2013 until 31 December 2015. Prior to that, he was also a Director of IOI Properties Berhad, PLUS Expressways Berhad, IOI Corporation Berhad and Telekom Malaysia Berhad. He retired as a Director of LPI Capital Bhd and Lonpac Insurance Berhad on 1 January 2024.

Mr. Quah is experienced in auditing, tax and insolvency practices and has worked in Malaysia and the United Kingdom; his field of expertise includes restructuring, demergers and privatisation.

Currently, he is a Director of Paramount Corporation Berhad and Malayan Flour Mills Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad. He also sits on the Board of Public Mutual Berhad.

PROFILE OF DIRECTORS



ANNE RODRIGUES

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Audit and Risk Committee

75 ■ Female ■ Malaysian

Appointed to the Board on
6 September 2017

Meeting
Attendance

4/5

Mrs. Anne Rodrigues is a member of Malaysian Institute of Accountants and was a Fellow of the Association of Chartered Certified Accountants. She also holds a Master in Business Administration (Distinction) from the University of Bath MIM and a Bachelor of Economics (Class 1 Honours) degree from University of Malaya.

Mrs. Anne Rodrigues was the Group Chief Financial Officer of Felda Global Ventures Holdings Berhad (FGV) until her official retirement in December 2010. Subsequent to that, she continued as Finance Advisor in FGV and was also posted to Boston as Chief Financial Officer of TRT Holdings Boston USA. She retired in December 2012.

She has more than 30 years' experience in the financial sector, having been previously appointed as the Corporate Treasurer and subsequently Finance Director of Malaysia International Shipping Corporation. Prior to that, she was the Finance Manager of Boustead Travel Sdn Bhd. Currently, she is a Director of VSTECS Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.



LEE JIA ZHANG

CHIEF OPERATING OFFICER

Executive Director

42 ■ Male ■ Malaysian

Appointed to the Board on
16 May 2018

Meeting
Attendance

5/5

Mr. Lee Jia Zhang holds a Masters degree in Chemical Engineering (MEng) (Hons) from Imperial College, United Kingdom. He is a Chartered Accountant and a Member of the Institute of Chartered Accountants Scotland (ICAS). He has also completed the Accelerated Development Programme from the University of Chicago Booth School of Business (Executive Education).

He began his career with Ernst & Young LLP, United Kingdom from 2006 to 2009 and thereafter with KPMG, Kuala Lumpur in 2009 both in audit. He then joined KLK Group in 2010 and has since held various positions in the Oleochemical and Corporate divisions. He started his career in KLK as a Senior Manager and is currently the Group's Chief Operating Officer assisting the Executive Chairman in formulating, driving and executing operational strategies, and determining the overall strategic direction of the Group.

In his capacity as KLK Group Chief Operating Officer, Mr. Lee directs the daily conduct of the Group's operations, management and administration across the Group's business sectors. He also oversees several of the Group's corporate functions and works with Senior Management to create, implement and roll out operational processes, internal infrastructures, reporting systems and company policies. In addition, Mr. Lee was the CEO of the Group's Oleochemical Division from 1 April 2022 to 30 September 2024.

Mr. Lee is the son of Tan Sri Dato' Seri Lee Oi Hian and the nephew of Dato' Lee Hau Hian. Both Tan Sri Dato' Seri Lee Oi Hian and Dato' Lee Hau Hian are Directors and major shareholders of KLK.



CHERYL KHOR HUI PENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Audit and Risk Committee

51 ■ Female ■ Malaysian

Appointed to the Board on
1 December 2021

Meeting
Attendance

5/5

Ms. Cheryl Khor Hui Peng graduated from University Putra Malaysia with a Bachelor of Mathematics (Honours). She is a Fellow and Faculty Member of the Institute of Corporate Directors Malaysia where she conducts training for directors on various board and governance topics across all industries.

She is also a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Institute of Internal Auditors Malaysia.

Ms. Cheryl Khor has more than 25 years of experience covering financial, operational and internal audits as well as governance, controls, sustainability, internal audit and risk assessments for clients across a broad range of industries.

She began her career in 1998 as a financial auditor and chartered accountant at Ernst & Young. Ms. Cheryl Khor diversified her skill sets and breadth of experience when she joined Deloitte in 2013 where she led the Risk Advisory practice, complementing her chartered accountant experience with sustainability, governance and risk expertise. She was appointed as its Managing Director in 2014 and held the position until May 2021. Whilst in Deloitte, she held numerous leadership roles culminating in the position of Asia Pacific Accounting and Internal Control Leader and was also elected onto the Deloitte South East Asia Board of Directors.

Ms. Cheryl Khor serves as an Independent Director on the Boards of Hong Leong Industries Berhad and Alliance Bank Malaysia Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad. She also serves as a Director of several public companies namely, Chubb Insurance Malaysia Berhad, Leader Energy Holding Berhad, RAM Holdings Berhad and MCIS Insurance Berhad.



TAN SRI SHAHRIL RIDZA BIN RIDZUAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Nomination and Remuneration Committee

55 ■ Male ■ Malaysian

Appointed to the Board on
2 May 2023

Meeting
Attendance

5/5

Tan Sri Shahril Ridza bin Ridzuan holds a Masters in Arts (First Class) from University of Cambridge and a Bachelor in Civil Law (First Class) from University of Oxford. He has been called to both the Malaysian Bar and the Bar of England and Wales.

Tan Sri Shahril is currently the Chairman of Axiata Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He also holds the position of Chairman at Ekuiti Nasional Berhad, Standard Chartered Bank Malaysia Berhad and Standard Chartered Saadiq Berhad.

Previously, Tan Sri Shahril led Khazanah Nasional Berhad as its Managing Director from August 2018 to August 2021, and before that, he served as CEO of the Employees Provident Fund of Malaysia (EPF) from April 2013 to August 2018. Tan Sri Shahril joined EPF as Deputy CEO (Investments) in December 2009. During his tenure at EPF, he also served as a Non-Executive Board Member of Media Prima Berhad, Malaysia Building Society Berhad, Malaysian Resources Corporation Berhad (MRCB) and IJN Holdings Sdn Bhd.

Prior to joining EPF, Tan Sri Shahril was the Managing Director of MRCB from 2003 to 2009. Tan Sri Shahril had also served as a Non-Executive Director of Malaysia Airlines Berhad and Malaysia Aviation Group Berhad from June 2020 to March 2023. He was also the Chairman of the Nomination and Remuneration Committee of both companies.

PROFILE OF DIRECTORS



TUNKU ALIZAKRI BIN RAJA MUHAMMAD ALIAS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Nomination and Remuneration Committee

55 ■ Male ■ Malaysian

Appointed to the Board on
1 March 2025

Meeting
Attendance

3/3*

Tunku Alizakri bin Raja Muhammad Alias holds a Master in Business Administration from Cornell University and a Bachelor of Law from King's College, University of London. He is also a Barrister-at-Law at The Honourable Society of Lincoln's Inn.

Tunku Alizakri has more than 30 years of leadership experience across multiple sectors, including retirement funds, financial services, central banking, takaful, healthcare, media and telecommunications, plantation, oil & gas and property development. His areas of expertise include sustainability, enterprise digitalisation and transformation, corporate strategy and fund management.

He has also chaired Malaysia's two sovereign bodies tasked to build and grow the start-up and venture capital industry for Malaysia. His last executive role was as the Chief Executive Officer of the EPF.

Prior to joining EPF, Tunku Alizakri was the Chief Marketing Officer and Chief Operating Officer of the Iclif Leadership and Governance Centre. He has also held the positions of Director of Strategic Management at Bank Negara Malaysia, Director and Head of Strategy and Corporate Affairs at DiGi Telecommunications Berhad, and Vice-President and Head of Group Strategic Planning at Malayan Banking Berhad.

Currently, he sits on the Board of Bumi Armada Berhad and CelcomDigi Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad. He also serves on the Board of several public companies namely, Prudential BSN Takaful Berhad and RAM Holdings Berhad, as well as on the Board of Trustees of Yayasan Amanah Mahkota.



TAN TING MIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

57 ■ Female ■ Malaysian

Appointed to the Board on
1 December 2025

Meeting
Attendance

0/0*

Ms. Tan Ting Min holds a Bachelor of Arts (Honours) in Natural Sciences, specialising in Plant Biotechnology and a Master of Arts, both from the University of Cambridge, United Kingdom.

Ms. Tan has over 25 years of experience in equity research and investment, with a specific focus on the regional plantation sector and Malaysia-focused investment strategy. She brings deep sector-specific expertise and strong microeconomic insights to the leadership team particular in investment strategy, asset allocation, investor engagement and the assessment of key risks related to operations and business transactions.

Ms. Tan started her finance career with KE-Zan Securities Sdn. Bhd. for one year prior to joining Credit Suisse Securities (Malaysia) Sdn. Bhd (Credit Suisse) as an Investment Analyst in 1994. Prior to her retirement in 2017, she was promoted to the position of Director, leading the regional plantation team with coverage in Malaysia, Singapore and Indonesia and served as the Head of Research of Credit Suisse from 2010 to 2017, writing on Malaysia Strategy. She led the Credit Suisse Malaysian equity research team to rank first in the Institutional Investor Poll for seven consecutive years. She later served on the Board of SD Guthrie Berhad as an Independent Non-Executive Director from 2017 to 2023.

Ms. Tan currently serves as an Independent Director of IJM Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She also serves on the Board of public companies namely, CIMB Investment Bank Berhad and IJM Land Berhad.

*Reflects the attendance and the number of meetings held during the period the Director held office.

ADDITIONAL INFORMATION:

- Save as disclosed in the Profile of Directors, none of the Directors has:
 - any directorship in public companies and listed issuers;
 - any family relationship with any Director and/or major shareholder of KLK; and
 - any conflict of interest or potential conflict of interest with KLK.
- None of the Directors has:
 - been convicted of any offence (other than traffic offences) within the past five (5) years; and
 - been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

TAN SRI DATO' SERI LEE OI HIAN

EXECUTIVE CHAIRMAN

74 ■ Male ■ Malaysian

Tan Sri Dato' Seri Lee was appointed as the Group's Chairman/Chief Executive Officer (CEO) in 1993 and held the position until 2008. On 1 May 2008, he relinquished his role as Chairman, but remained as CEO of the Group. He was redesignated as Executive Chairman of KLK with effect from 22 February 2024. His profile is listed in the Profile of Directors on page 12.



LEE JIA ZHANG

CHIEF OPERATING OFFICER

42 ■ Male ■ Malaysian

Mr. Lee Jia Zhang was appointed as the Executive Director of KLK on 16 May 2018 and he is currently the Group's Chief Operating Officer assisting the Executive Chairman in formulating, driving and executing operational strategies, and determining the overall strategic direction of the Group.

Mr. Lee joined KLK Group in 2010 and has since held various positions in the Oleochemical and Corporate divisions. His profile is listed in the Profile of Directors on page 14.



PATRICK NG HONG CHUAN

GROUP PLANTATIONS DIRECTOR

51 ■ Male ■ Malaysian

Mr. Patrick Ng holds a Bachelor of Engineering with Honours (Civil Engineering) from Universiti Sains Malaysia and was awarded the 2006 British-Chevening (Malaysia) Scholarship to pursue his Master of Science in Imperial College (University of London) where he graduated with Distinction in Environmental Engineering and Sustainable Development. He also completed the Harvard Business School Online Programme on Leadership Principles in 2021.

He is a Graduate Member of the Institution of Engineers Malaysia, Life Member of the International Society of Oil Palm Agronomist and a Member of the Incorporated Society of Planters.

Mr. Patrick Ng was appointed as the Group Plantations Director on 1 October 2022. Prior to his appointment, he was the President Commissioner of KLK's subsidiaries in Indonesia. He joined KLK in May 2021 after serving as the Deputy Director of KLK's associate, Applied Agricultural Resources Sdn. Bhd. (AAR). He was with AAR since 1998 overseeing Research and Development with emphasis on palm nutrition and agro-management practices.



PROFILE OF KEY SENIOR MANAGEMENT

KOW TIAT YONG

CEO, OLEOCHEMICAL DIVISION

52 ■ Male ■ Malaysian

Mr. Kow Tiat Yong graduated with a Bachelor's Degree in Chemical Engineering from Universiti Teknologi Malaysia. He joined Uniqema (M) Sdn. Bhd. in 1998 as a Production Engineer. In 2007, when KLK acquired Uniqema (M) Sdn. Bhd. (which was subsequently renamed Palm-Oleo (Klang) Sdn. Bhd.), Mr. Kow was the Production Manager.

In 2018, Mr. Kow was promoted to Managing Director of the Palm-Oleo Strategic Business Unit, where he oversaw the overall manufacturing operations and business of fatty acids and its derivatives, including soap noodles, esters and amides.

In April 2022, Mr. Kow was promoted to Deputy CEO, where he effectively managed KLK OLEO's business activities across Malaysia, China and Indonesia, driving substantial growth and market presence. He was promoted as the CEO of KLK OLEO, with effect from 1 October 2024.



OOI LIANG HIN

CEO, KLK REFINERIES

48 ■ Male ■ Malaysian

Mr. Ooi Liang Hin graduated from the National University of Malaysia with a Bachelor's Degree in Economics (Hons).

He joined KLK in 2002 as an Assistant in the Marketing Division and was promoted to Marketing Manager in 2005. In 2011, Mr. Ooi left KLK to pursue international experience and rejoined KLK in 2018 as Business Director. He was subsequently appointed CEO of Astra-KLK Pte Ltd, a joint venture between KLK and PT Astra Agro Lestari, where he led the marketing and trading of crude and refined palm oil products for the Group.

Effective 1 June 2025, Mr. Ooi was appointed CEO of KLK Refineries, overseeing KLK's integrated palm oil refining operations and related midstream activities across Malaysia and Indonesia. He is responsible for driving operational efficiency, value-chain optimisation and sustainability compliance across all refinery sites. Under his leadership, KLK Refineries focuses on enhancing product quality, improving traceability, and supporting KLK's long-term strategy of expanding further downstream into specialty products.



LEE WEN LING

MANAGING DIRECTOR, PROPERTY DEVELOPMENT

36 ■ Female ■ Malaysian

Ms. Lee Wen Ling holds a degree in Economics from the University of Bristol, United Kingdom and joined KLK Land in June 2012 as a Sales Executive. She worked her way up the ranks, and has been involved in overseeing the sales & marketing, business development, planning and implementation of KLK's property projects. She was the Deputy Managing Director of KLK Land before she was appointed as the Managing Director of KLK Land.

Ms. Lee Wen Ling is the daughter of Tan Sri Dato' Seri Lee Oi Hian, the Executive Chairman and a major shareholder of KLK. She is the sister of Mr. Lee Jia Zhang, the Group's Chief Operating Officer, and the niece of Dato' Lee Hau Hian, a Director and major shareholder of KLK.



WILLIAM ONG ENG SAN

GROUP CHIEF FINANCIAL OFFICER

42 ■ Male ■ Malaysian

Mr. William Ong graduated from Heriot-Watt University, Edinburgh with a Bachelor of Arts in Accountancy and Finance. He is a Chartered Accountant and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. He is also a Member of the Malaysian Institute of Accountants.

Mr. William Ong joined KLK Group in November 2021 as KLK OLEO Group Financial Controller. He was appointed as the Acting Group Chief Financial Officer of KLK on 1 October 2022 and was appointed as the Group Chief Financial Officer on 10 April 2023.

Prior to joining KLK, he began his career with PricewaterhouseCoopers PLT in 2004, before he joined I Berhad in 2013, a company listed on the Main Market of Bursa Malaysia Securities Berhad.



KU KOK PENG

CHIEF SUSTAINABILITY OFFICER

55 ■ Male ■ Malaysian

Mr. Ku Kok Peng holds a Bachelor of Law degree from the University of London and a Certificate of Legal Practice. He completed executive programmes organised by FleishmanHillard namely the Advanced Management Programme at the China Europe International Business School and the Senior Management Programme at Babson College.

He joined KLK in March 2022 as Group Chief Sustainability Officer, overseeing the Group's sustainability, strategy, risk, communications, investor relations, corporate responsibility, and government relations functions.

Prior to joining KLK, Mr. Ku served as Group Chief Strategy Officer at Green Packet Berhad (October 2020 to December 2021), Partner and Executive Vice President at PEMANDU Associates (March 2017 to September 2020), and Director of Palm Oil & Rubber, Investment & Innovation for the Economic Transformation Programme at PEMANDU (August 2010 to February 2017). Earlier in his career, he was the Managing Director & Partner for Market Development, Southeast Asia at FleishmanHillard.



ADDITIONAL INFORMATION:

1. Save as disclosed above, none of the Key Senior Management has:
 - (i) any directorship in public companies and listed issuers;
 - (ii) any family relationship with any Director and/or major shareholder of KLK; and
 - (iii) any conflict of interest or potential conflict of interest with KLK.
2. None of the Key Senior Management has:
 - (i) been convicted of any offence (other than traffic offences) within the past five (5) years; and
 - (ii) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

EXECUTIVE CHAIRMAN'S STATEMENT



TAN SRI DATO' SERI LEE OI HIAN
Executive Chairman

On behalf of the Board, I am pleased to present the Annual Report of Kuala Lumpur Kepong Berhad for the financial year ended 30 September 2025.

FY2025 has been a year defined by complex global dynamics and shifting trade policies which includes prolonged US tariff negotiations. This presented both opportunities and challenges for the Group. While global growth expectations have slowed down and trade tensions remain elevated, the operating environment continued to be shaped by persistent geopolitical uncertainties.

Fortunately, the palm oil sector maintained favourable market conditions, supported by resilient demand and the tightening of exportable supply due to Indonesia's increasing domestic biodiesel mandates. However, downstream was adversely affected by over expansion of capacities globally and structural oversupply, resulting in margin pressures.

PERFORMANCE

For the financial year under review, the Group achieved a reasonable overall performance. We are pleased to report that the Group recorded a pre-tax profit of RM1.51 billion (FY2024: RM1.18 billion). Furthermore, our net profit attributable to shareholders recorded an increase of 38% to RM817.3 million, compared to RM591.0 million in FY2024.

This result was predominantly supported by the performance of the core Plantation division, which was once again the key driver of the Group's results. The segment delivered an impressive 41% increase in pre-tax profit, reaching RM2.28 billion. This was supported by higher average selling prices for CPO (RM3,964/mt) and PK (RM3,215/mt), slightly improved fresh fruit bunch yields and effective internal cost management.

However, the Group's results were dampened by several non-cash losses. These included RM187.5 million related to our associate, Synthomer plc, which comprised share of losses and an impairment reflecting the continued subdued demand in the chemical sector and their high gearing. In addition, the Group also recorded RM157.2 million in unrealised foreign-exchange losses arising from the translation of inter-company loans denominated in foreign currencies.

The Oleochemical sub-division only managed to achieve marginal pre-tax profits, while the Refinery and Non-oleochemical sub-division suffered from pre-tax losses. Cumulatively, the Manufacturing division recorded a pre-tax loss of RM173.6 million. The performance of the Oleochemical and Refinery sub-division was hampered by tight margins and start-up cost of new facilities. For Non-oleochemical, namely KL-Kepong Rubber Products, the operations were badly hit by plant reliability issues and fierce Chinese competition.

Our Property division also saw a modest decline of 10% in pre-tax profit to RM41.8 million, mainly reflecting slower sales in selected developments.

Based on earnings per share of 73.9 sen, the Board is recommending a final dividend of 40 sen per share, in addition to the earlier interim dividend of 20 sen.

MILESTONES

During the year, the Group made measured progress in areas that reinforce our long-term commitments and strategic direction.

For Oleochemical division, the restructuring and reorganisation exercise, predominantly in Europe, has vastly completed. This year, we unified the pharmaceutical business in Europe, now known as KLK OLEO Life Science, to strengthen the portfolio. These efforts carried out during softer market conditions is to prepare us for full market capture, when demand returns.

PT Perindustrian Sawit Synergi, the integrated complex of oleochemical, refinery and kernel crushing plant in East Kalimantan reached an important step in our midstream and downstream expansion strategy with its first shipments. This is achieved after a prolonged delay in the commissioning of the integrated complex mainly due to the boiler issues. However, the key challenges have been largely resolved. This facility forms an integral part of our global oleochemical supply and it will support our long-term diversification plans.

In line with our strategy to expand our midstream refining business, we entered into a joint venture with Sweden's AAK AB, to establish Nura Speciality Oils and Fats Sdn. Bhd. (formerly known as KLK Nura Fats Sdn. Bhd.) which will undertake the manufacturing of high-value fractionated palm oil products. The new refinery will be located in Pasir Gudang, Johor.

It was an exciting year, for Property division with notable developments. We celebrated the launch of the KLK TechPark series in Tanjong Malim, which will become home to BYD's first automotive assembly plant in Malaysia. Covering 1,500-acres, this development was made possible through the proactive efforts of the Perak State Government who were key in bringing all parties together. On the Group's flagship development, Bandar Sri Coalfields, the Coalfields Retail Mall is expected to welcome visitors in Q3 FY2026 and we are looking forward to it. In efforts to enhance the overall living experience in the township, we are leasing a piece of land to Kuen Cheng Holistic Education Berhad, to establish Kuen Cheng High School 2. This will broaden the educational offering access for the residents and surrounding community within an integrated education zone for the Northern Klang Valley Corridor.

I am also pleased to share that in 2025, all our estates and palm oil mills in Malaysia achieved full RSPO certification while our Liberia operations became the first RSPO-certified member in the country. This underscores our commitment to responsible production and traceability, and reinforces our NDPE stance across the value chain. Work continues in Indonesia as we further engage with stakeholders to raise and maintain our sustainability standards.

These achievements reflect not only the collaboration and support of our partners, but also the synergy across our teams who continue to work closely towards shared goals and deliver results. As we pursue our long-term priorities, we recognise that progress is strengthened when we move forward together.

ACKNOWLEDGEMENTS

It is also at this juncture that I would like to extend a warm welcome to two new members of our Board, Tunku Alizakri bin Raja Muhammad Alias and Tan Ting Min. With decades of leadership spanning diverse sectors between them, we look forward to enhancing our strategic capabilities and benefitting from their experience as we navigate future growth opportunities.

Appreciation is also due to Yap Miow Kien, who has served as Company Secretary for 12 years. Her commitment and steady support have been integral to the Board's work and our governance practices. She will be succeeded by Carina Chang.

I would also like to congratulate Ooi Liang Hin on his promotion to CEO of KLK Refineries. This appointment streamlines our leadership structure and aligns our efforts towards achieving the Division's objectives, further strengthening our position as a key integrated player in the palm oil industry.

On behalf of the Board, I would like to express my deepest gratitude to all our stakeholders, the Board, Management, and our employees for their commitment and hard work. It is through this trust and sustained support in us that we continue to deliver value, and I look forward to our continued success and partnership ahead.

CONCLUSION AND OUTLOOK

FY2025 was materially impacted by poor downstream results. However, the Group anticipates better performance in FY2026 with Plantation division underpinning the results, which shows the strength and resilience of KLK's integrated business model. With key expansion projects completed, the Group will be in a better position to generate more free cash flow to pare down the loans.

Our focus in the coming year will be to strengthen our foundation which includes driving productivity, improving operational discipline and ensuring that our cost structures remain resilient. At the same time, we will continue to explore new approaches and opportunities that can enhance efficiency and create value in support of our long-term ambitions. The Group will also continue to stay vigilant on regulatory developments across our operating environment and remain proactive in assessing potential implications on the business.

We will move forward with a sense of responsibility, guided by our values and supported by strong partnerships within and outside the Group.

Thank you.

MANAGEMENT DISCUSSION & ANALYSIS



FINANCIAL PERFORMANCE

For the financial year under review, the Group recorded a pre-tax profit of RM1.51 billion (FY2024: RM1.18 billion), driven mainly by the strong performance of the Plantation division. PATAMI rose to RM817.3 million (FY2024: RM591.0 million). The increase was partly affected by non-cash losses of RM187.5 million from the Group's associate, Synthomer plc, which comprised share of losses of RM127.5 million and an impairment of RM60.0 million. The impairment reflects the continued soft demand in the chemical sector and their high gearing. The Group also incurred unrealised foreign-exchange losses predominantly in Indonesian Rupiah of RM157.2 million arising from the translation of inter-company loans.

The Plantation division delivered a strong performance with a pre-tax profit of RM2.28 billion (FY2024: RM1.62 billion). This represents a 41% increase, supported by higher selling prices for CPO and PK, improved fresh fruit bunch yields and continued cost optimisation. Average CPO and PK prices realised for FY2025 were RM3,964/mt and RM3,215/mt respectively. Palm oil prices remained firm for most of the financial year, supported by Indonesia's proposed B50 biodiesel mandate. Post financial year end, palm oil prices have remained supportive despite the strengthening of Ringgit Malaysia.

2025 HIGHLIGHTS

- The Group recorded a pre-tax profit of **RM1.51 billion**.
- The **Plantation segment** recorded a stronger performance, posting a **pre-tax profit of RM2.28 billion**, a 41% increase from FY2024, driven by higher CPO and PK selling prices, improved fresh fruit bunch yields, and continued cost optimisation efforts.
- In October 2025, the Group formed a **strategic partnership with AAK AB** to jointly develop and operate Nura Speciality Oils and Fats Sdn. Bhd. (formerly known as KLK Nura Fats Sdn. Bhd.) a new specialty refinery in Pasir Gudang producing high-value fractionated palm oil products for the global food industry.
- KLK Land launched the **KLK TechPark** series, beginning with a **1,500-acre freehold industrial park** in Tanjong Malim, Perak, strategically located near the Automotive High-Tech Valley (AHTV), the North-South Expressway, key infrastructure, and fronting Federal Route 1.

The Manufacturing division recorded a pre-tax loss of RM173.6 million, compared to a profit of RM95.3 million in FY2024, despite posting higher revenue of RM20.87 billion (FY2024: RM18.02 billion). While losses from the Non-oleochemical division were still significant, the overall performance was weighed down by reduced profit contributions from the Oleochemical division and higher losses from the Refineries. The Oleochemical division continued to face margin pressures, foreign exchange fluctuations and start-up costs of new facilities. Refining margins remained tight due to competitive selling prices and high feedstock costs.

KLK Land recorded pre-tax profit of RM41.8 million (FY2024: RM46.4 million), reflecting a 10% decline. Revenue for FY2025 was RM182.9 million, lower than the RM229.4 million achieved in the previous year due to slower sales in Bandar Seri Coalfields. However, KLK Land continues to invest in the improvements of Bandar Seri Coalfields to enhance its lifestyle offering for residents, making it a desirable township.

The Group's Western Australian farming operations cover 45,555 hectares of arable land. For FY2025, the segment recorded a pre-tax profit of RM8.4 million, compared to a loss of RM36.1 million in FY2024. This turnaround was driven by significantly improved yields following better weather conditions. Revenue rose by 36%, supported by higher production volumes, though partially offset by a 11% decline in selling prices.

CORPORATE

In October 2025, the Group embarked on a strategic partnership with AAK AB (AAK), a global leader in specialty oils and fats, to jointly develop a new specialty refinery in Pasir Gudang, Johor. Through this partnership, both parties will undertake the manufacturing of high-value fractionated palm oil products. The joint venture brings together KLK's integrated and sustainable upstream and refining operations with AAK's deep technical expertise and applications know-how in specialty fats. This will expand the Group's midstream and specialty fats capabilities, strengthen product diversification, and enhance the Group's positioning as a reliable global supplier of high-value oils and fats solutions.

The facility is targeted to commence operations in 2028.



Caledonia by KLK Land in Ijok, Selangor.

MANAGEMENT DISCUSSION & ANALYSIS

SUSTAINABILITY

The Group continue to make steady progress in its sustainability efforts. In Malaysia, all palm oil mills and estates achieved full RSPO certification in 2025, while Liberia also achieved full certification. Improvements in Indonesia will continue through system upgrades and engagement with stakeholders.

The European Union Deforestation Regulation (EUDR) has been postponed to 30 December 2026. Nonetheless, the Group has strengthened its verification systems and completed comprehensive internal assessments, placing us in a strong position to comply once the regulation takes effect.

The Group advanced its decarbonisation initiatives through energy efficiency measures, greater biogas utilisation and wider adoption of renewable energy across mills, refineries and oleochemical plants. These efforts support our 2030 emissions reduction target and long-term net-zero ambition for 2050.

Our Product Carbon Footprint (PCF) programme has made good progress against our target of completing PCF for 50 product groups by 2025. We achieved PCF for 171 product groups, improving visibility of emissions in our downstream operations.

This year marked the Group's first adoption of IFRS S1 and IFRS S2 in our sustainability disclosures. Transition reliefs were applied as permitted, but the adoption strengthened the clarity, structure and connectivity of our reporting between sustainability matters and financial performance.

Further details on our sustainability efforts are discussed in depth in the Sustainability Report section on page 50.



Effluent pond in KKS Kekayaan, Johor.

FINANCIAL REVIEW

GROUP HIGHLIGHTS

		2025	2024	2023	2022	2021
FINANCIAL						
Revenue	(RM'000)	25,019,545	22,273,698	23,647,586	27,149,474	19,915,796
Profit:						
■ before taxation	(RM'000)	1,513,646	1,183,482	1,152,227	3,219,478	2,976,425
■ attributable to equity holders of the Company	(RM'000)	817,278	590,961	834,259	2,166,290	2,257,584
Earnings per share	(sen)	73.9	54.3	77.4	200.9	209.3
Dividend per share (single tier)	(sen)	60.0	60.0	60.0	100.0	100.0
Net tangible assets	(RM'000)	13,823,759	13,292,504	13,914,126	13,933,659	11,510,938
Net tangible assets per share	(RM)	12.4	12.1	12.9	12.9	10.7

KEY CORPORATE RATIOS

Dividend Yield ⁽¹⁾	(%)	2.9	2.9	2.8	4.8	5.0
Dividend Payout Ratio ⁽²⁾	(%)	81.2	110.5	77.5	49.8	47.8
Return on Shareholders' Equity ⁽³⁾	(%)	5.7	4.3	5.8	15.2	19.0
Return on Total Assets ⁽⁴⁾	(%)	3.1	2.4	3.3	8.1	8.7
Net Debt to Equity ⁽⁵⁾	(%)	59.4	58.9	45.8	40.7	37.3

(1) Based on Dividend expressed as a percentage of KLK Share Price as at 30 September

(2) Based on Dividend expressed as a percentage of Basic Earnings Per Share

(3) Based on Net Profit attributable to Equity Holders expressed as a percentage of Total Equity attributable to Equity Holders

(4) Based on Profit for the year expressed as a percentage of Total Assets

(5) Based on Net Debt (being Total Borrowings less Short Term Funds and Cash and Cash Equivalents) expressed as a percentage of Total Equity

MANAGEMENT DISCUSSION & ANALYSIS

5-YEAR FINANCIAL STATISTICS

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
REVENUE					
Plantation	3,677,272	3,758,005	3,421,324	4,082,366	2,646,618
Manufacturing	20,865,567	18,019,443	19,692,087	22,605,225	16,828,378
Property development	182,915	229,429	218,106	195,199	195,070
Investment holding	116,337	124,777	121,391	95,222	96,088
Others	177,454	142,044	194,678	171,462	149,642
	25,019,545	22,273,698	23,647,586	27,149,474	19,915,796
GROUP PROFIT					
Plantation	2,278,635	1,618,380	1,164,139	2,139,058	1,350,960
Manufacturing	(173,588)	95,266	264,660	1,070,570	916,448
Property development	41,814	46,439	61,522	70,858	68,800
Investment holding	(416,263)	(536,159)	(342,073)	(48,138)	167,724
Others	8,407	(36,125)	29,223	35,729	26,788
Corporate	(225,359)	(4,319)	(25,244)	(48,599)	445,705
Profit before taxation	1,513,646	1,183,482	1,152,227	3,219,478	2,976,425
Tax expense	(540,082)	(445,357)	(161,530)	(781,121)	(524,373)
Profit for the year	973,564	738,125	990,697	2,438,357	2,452,052
Attributable to:					
Equity holders of the Company	817,278	590,961	834,259	2,166,290	2,257,584
Non-controlling interests	156,286	147,164	156,438	272,067	194,468
	973,564	738,125	990,697	2,438,357	2,452,052
ASSETS					
Property, plant and equipment	12,958,932	13,186,943	12,905,633	12,123,317	11,014,851
Right-of-use assets	1,454,467	1,525,870	1,325,678	1,338,533	1,316,628
Investment properties	114,628	50,129	23,503	–	–
Inventories - Land held for property development	2,084,069	2,014,809	2,012,424	1,991,597	2,035,257
Goodwill on consolidation	375,302	364,886	351,725	336,241	327,417
Intangible assets	44,643	46,900	52,885	17,142	20,907
Investments in associates	2,113,086	2,327,138	2,288,845	2,366,997	1,777,894
Investment in joint ventures	55,245	57,982	66,063	215,962	179,649
Other investments	1,063,905	765,313	745,242	595,711	598,959
Other receivables	337,258	382,715	394,069	425,925	444,389
Deferred tax assets	502,895	479,608	478,365	322,289	338,660
Derivative financial assets	589	460	1,249	–	–
Current assets	10,632,565	9,327,004	9,480,710	10,504,811	10,022,820
Total assets	31,737,584	30,529,757	30,126,391	30,238,525	28,077,431

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
EQUITY					
Share capital	2,072,958	1,737,015	1,382,683	1,379,249	1,375,695
Reserves	12,192,509	11,989,383	12,958,161	12,932,297	10,510,376
Cost of treasury shares	(21,763)	(22,108)	(22,108)	(24,504)	(26,809)
Total equity attributable to equity holders of the Company	14,243,704	13,704,290	14,318,736	14,287,042	11,859,262
Non-controlling interests	1,242,987	1,302,642	1,825,023	1,764,780	2,347,778
Total equity	15,486,691	15,006,932	16,143,759	16,051,822	14,207,040
LIABILITIES					
Deferred tax liabilities	1,094,283	1,111,142	1,076,632	1,098,679	965,959
Lease liabilities	342,068	346,161	155,095	158,322	133,457
Deferred income	64,646	72,909	81,633	90,149	98,465
Provision for retirement benefits	568,832	540,086	535,302	482,598	559,576
Borrowings	6,448,967	6,441,816	7,002,610	7,208,861	5,612,880
Derivative financial liabilities	—	—	21	—	—
Current liabilities	7,732,097	7,010,711	5,131,339	5,148,094	6,500,054
Total liabilities	16,250,893	15,522,825	13,982,632	14,186,703	13,870,391
Total equity and liabilities	31,737,584	30,529,757	30,126,391	30,238,525	28,077,431
SHAREHOLDERS' EARNINGS AND DIVIDENDS					
Earnings per share (sen)	73.9	54.3	77.4	200.9	209.3
Share price at 30 September (RM)	20.60	20.54	21.40	20.70	20.12
Dividend per share (sen)	60.0	60.0	60.0	100.0	100.0
Dividend yield at 30 September (%)	2.9	2.9	2.8	4.8	5.0
P/E ratio at 30 September (times)	27.9	37.8	27.6	10.3	9.6

MANAGEMENT DISCUSSION & ANALYSIS



Fresh Fruit Bunches.

PLANTATION

Plantation is KLK's core business with a landbank of 355,828 hectares spread across Malaysia (Peninsular and Sabah), Indonesia (Sumatra, Belitung Island and Kalimantan) and Liberia. Out of the 301,090 hectares of planted area, about 98% is planted with oil palm. Geographically, 57% of the oil palm planted area is in Indonesia, 41% in Malaysia and about 2% in Liberia. Meanwhile, rubber is planted only in Peninsular Malaysia and makes up the remaining 2% of planted area.

OUR FACILITIES

Crop Processing

Processing of fresh fruit bunches (FFB) is carried out at 34 of KLK's own palm oil mills (POMs) of various capacities ranging from 20 mt/hour FFB to 120 mt/hour FFB.

Biogas

Biogas power plant is another value-added improvement that the Plantation segment has invested in to reduce methane gas emissions. We currently have 10 power generating biogas power plants in our POMs and another three in progress.

TOTAL PLANTED AREA

301,090 ha



Oil Palm

98%

Malaysia

120,710
ha

Indonesia

168,563
ha

Liberia

6,118
ha

Rubber

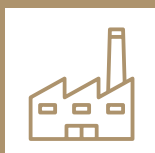
2%

Malaysia

5,699
ha

PRODUCTION FACILITIES & CAPACITIES

FACILITIES



Palm Oil Mills

34 POMs



Refineries

7

Kernel Crusing
Plants

6

Biogas Power
Plants

10

Filter Belt
Press

39

CAPACITIES



From

20 to 120

FFB mt/hr



Total Refining

7,700

CPO mt/day



Total Crushing

2,705

PK mt/day



Total Installed Power

23.4

mw Electricity

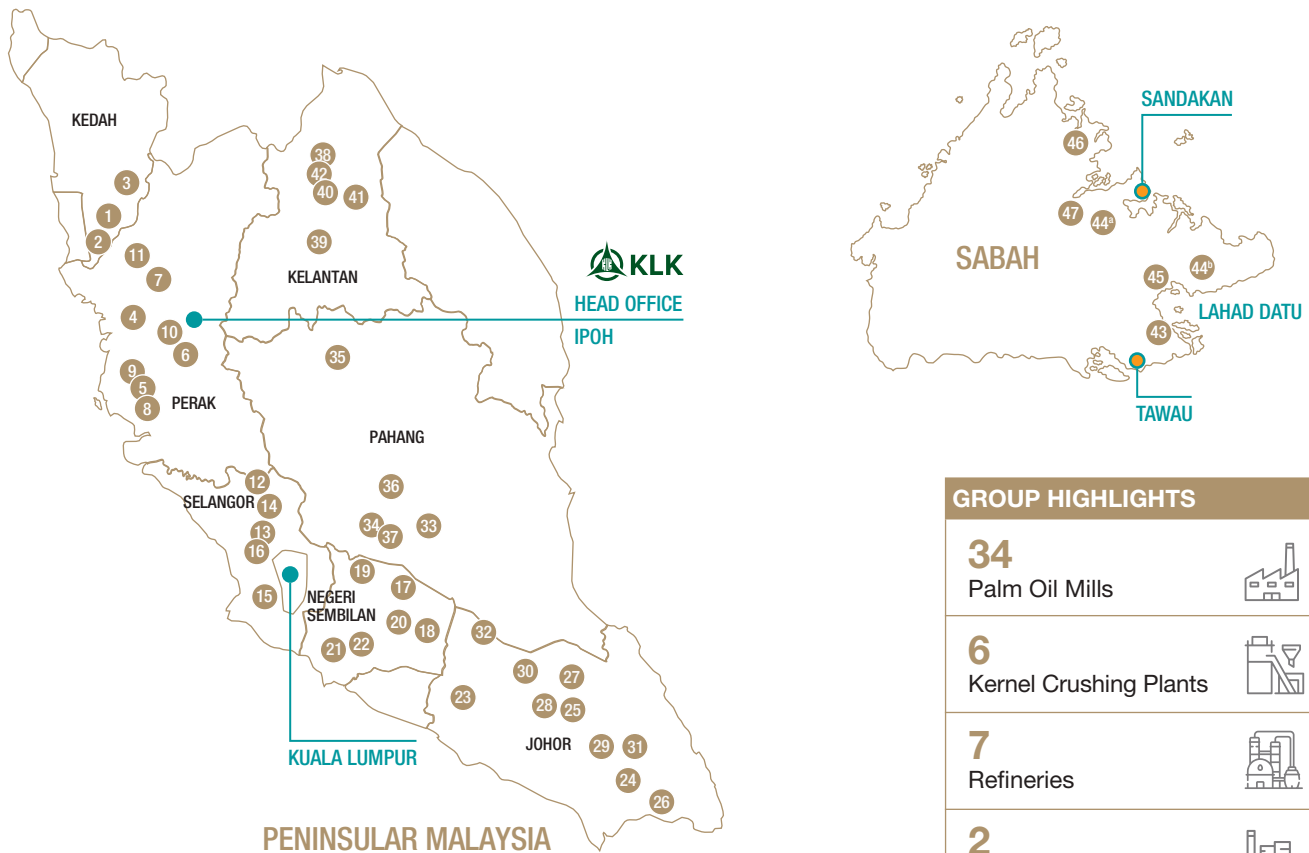


25%

reduction in GHG
intensity
on Scope 1 and
2 compared
to 2018/2019

MANAGEMENT DISCUSSION & ANALYSIS

LOCATION OF THE GROUP'S PLANTATION OPERATIONS AS AT 30 SEPTEMBER 2025



GROUP HIGHLIGHTS

34

Palm Oil Mills



6

Kernel Crushing Plants



7

Refineries



2

Rubber Factories



10

Biogas Power Plants



MALAYSIA

KEDAH

1. Batu Lintang ▲
2. Buntar
3. Pelam

PERAK

4. Allagar
5. Changkat Chermin ▲ ●
6. Glenealy
7. Kuala Kangsar
8. Lekir
9. Raja Hitam
10. Serapoh
11. Subur

SELANGOR

12. Changkat Asa ▲ ●
13. Fajar Palmkel^ ● ◆
14. Kerling
15. KLK Alami Edible Oils^ ◆
16. Tuan Mee ▲

NEGERI SEMBILAN

17. Ayer Hitam
18. Batang Jelai
19. Gunong Pertanian
20. Jeram Padang ▲ ● ◆
21. Kombok
22. Ulu Pemas

JOHOR

23. Ban Heng
24. Fraser
25. Kekayaan ▲ ●
26. KL-Kepong Edible Oils^ ◆
27. Landak
28. Paloh
29. See Sun
30. Sungai Bekok
31. Sungai Penggeli
32. Voules

PAHANG

33. Kemasul
34. Renjok
35. Selborne
36. Sungei Kawang
37. Tuan

KELANTAN

38. Kerilla
39. Kuala Gris
40. Kuala Hau
41. Pasir Gajah ▲
42. Sungai Sokor

SABAH

43. **Tawau Region**
Jatika
Pang Burong
Pangeran ▲
Pinang
Ringlet
Sigalong
Sri Kunak
Tundong ▲ ●

44. Lahad Datu Region

- 44a. Bornion ▲
- Segar Usaha
- 44b. Bukit Tabin
Lungmanis ▲
Rimmer ▲
Sungai Silabukan
Tungku
45. KLK Premier Oils^ ● ◆
46. **Sugut Region**
Berakan Maju
Excellent Challenger I
Excellent Challenger II ▲
Rakanan Jaya North
Rakanan Jaya South
Sungai Sabang ▲ ●
47. **Sandakan Region**
Desa Talisai North
Desa Talisai South ▲
Meliau
Minat Teguh
Sijas



INDONESIA

SUMATRA

Bangka Belitung

- 48. Alam Karya Sejahtera
- 49. Bumi Makmur Sejahtera Jaya
- 50. Parit Sembada ▲
- 51. Steelindo Wahana Perkasa ▲ ■ ◆ ●

Riau

- 52. Mandau ▲ ■ ◆ ●
- 53. Nilo ▲ ▲
- 54. Sekarbumi Alamlestari ▲

North Sumatra

- 55. Basilam
- Bekiun
- Bukit Lawang
- Gohor Lama ▲
- Maryke
- Padang Brahrang
- Tanjung Beringin
- Tanjung Keliling ▲

South Sumatra

- 56. Pinang Witmas Sejati ▲

Lampung

- 57. Prima Alumga

KALIMANTAN

Central Kalimantan

- 58. Karya Makmur Abadi ▲
- 59. Menteng Jaya Sawit Perdana
- 60. Mulia Agro Permai ▲

East Kalimantan

- 61. Hutan Hijau Mas ▲ ●
- 62. Indonesia Plantation Synergy ▲ ●
- 63. Jabontara Eka Karsa ▲
- 64. Karya Bakti Sejahtera Agrotama
- 65. Malindomas Perkebunan
- 66. Perindustrian Sawit Synergi[^] ■ ◆
- 67. Putra Bongan Jaya ▲
- 68. Satu Sembilan Delapan ▲
- 69. Sinergi Agro Industri ▲
- 70. Tekukur Indah

North Kalimantan

- 71. Primabahagia Permai ▲



LIBERIA

- 72. Palm Bay Estate ▲ ■ ◆ ●

▲ With Palm Oil Mill

■ With Kernel Crushing Plant

◆ With Refinery

● With Rubber Factory

● With Biogas Power Plant

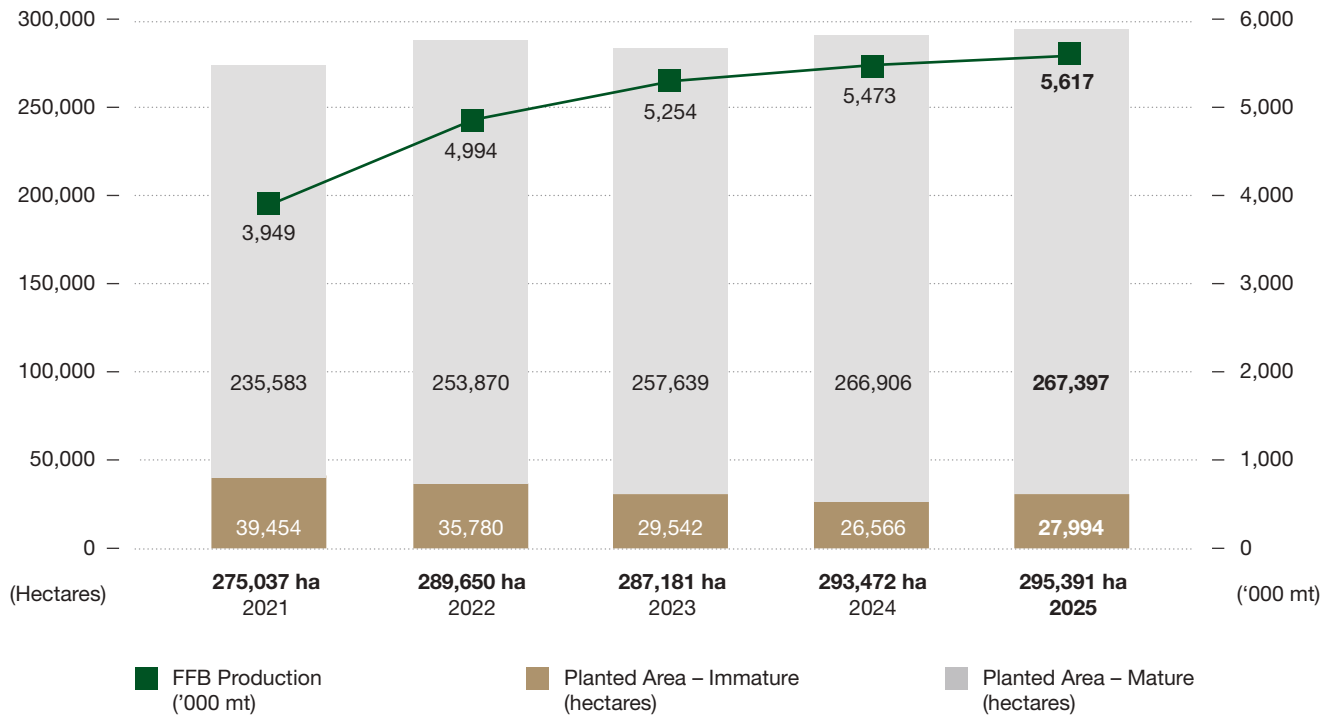
[^] Refinery and/or kernel crushing plant only

MANAGEMENT DISCUSSION & ANALYSIS

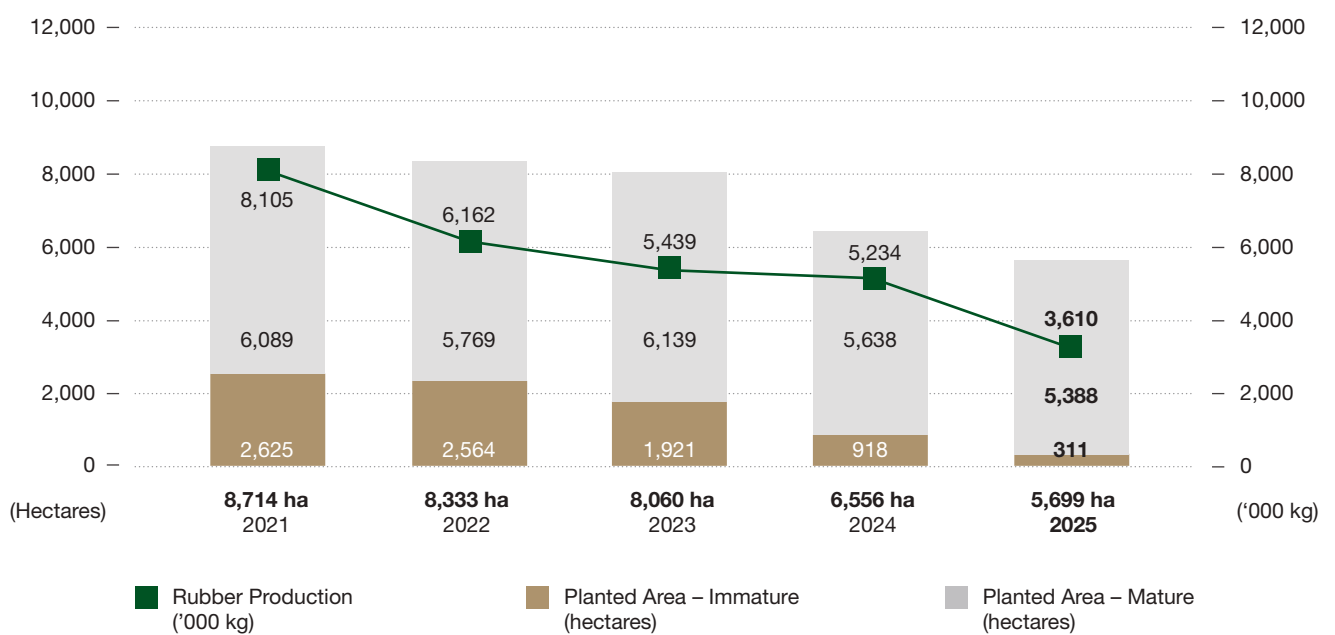
PLANTATION AREA STATEMENT AS AT 30 SEPTEMBER 2025

		2025			2024		
	AGE IN YEARS	HECTARES	% UNDER CROP	% OF TOTAL PLANTED AREA	HECTARES	% UNDER CROP	% OF TOTAL PLANTED AREA
OIL PALM	4 to 9	63,281	21		64,381	22	
	10 to 18	124,611	42		128,153	44	
	19 and above	79,505	27		74,372	25	
	Mature	267,397	90	89	266,906	91	89
	Immature	27,994	10	9	26,566	9	9
	Total	295,391	100	98	293,472	100	98
RUBBER	6 to 10	467	8		409	6	
	11 to 15	957	17		1,355	21	
	16 to 20	2,082	37		1,838	28	
	21 and above	1,882	33		2,036	31	
	Mature	5,388	95	2	5,638	86	2
	Immature	311	5	–	918	14	–
	Total	5,699	100	2	6,556	100	2
TOTAL PLANTED AREA		301,090		100	300,028		100
Plantable Reserves		16,949			17,345		
Unplanted Areas (HCV & non-HCV)		28,005			27,480		
Building Sites, etc.		9,784			10,312		
Grand Total		355,828			355,165		

OIL PALM PLANTED AREA/FFB PRODUCTION



RUBBER PLANTED AREA/RUBBER PRODUCTION



MANAGEMENT DISCUSSION & ANALYSIS

5-YEAR PLANTATION STATISTICS

		2025	2024	2023	2022	2021
OIL PALM						
FFB Production						
- Own estates	(mt)	5,616,809	5,473,196	5,253,723	4,993,776	3,948,785*
- Sold	(mt)	107,391	128,696	231,407	237,157	115,671
- Purchased	(mt)	947,929	886,636	873,528	927,772	793,110
- Total processed	(mt)	6,457,347	6,231,136	5,895,844	5,684,391	4,626,224
Weighted Average Hectarage						
- Mature	(ha)	265,983	265,161	256,523	253,357	184,271
- Immature	(ha)	27,444	26,192	29,685	35,059	37,704
Total planted area	(ha)	293,427	291,353	286,208	288,416	221,975
FFB yield per mature hectare	(mt/ha)	21.12	20.64	20.48	19.71	21.43
CPO yield per mature hectare	(mt/ha)	4.46	4.41	4.36	4.20	4.66
Mill Production						
- CPO	(mt)	1,362,787	1,330,866	1,255,475	1,212,417	1,006,111
- PK	(mt)	255,973	257,475	246,666	241,362	192,316
Oil Extraction Rate						
- CPO	(%)	21.10	21.36	21.29	21.33	21.75
- PK	(%)	3.96	4.13	4.18	4.25	4.16
Cost of Production						
- FFB	(RM/mt ex-estate)	338	362	400	336	270
- CPO (exclude windfall profit levy and Sabah sales tax)	(RM/mt ex-mill)	1,939	2,039	2,229	1,952	1,509
Average Selling Prices						
- CPO	(RM/mt ex-mill)	3,964	3,653	3,639	4,227	3,211
- PK	(RM/mt ex-mill)	3,215	2,115	1,841	2,972	2,135
Average profit per mature hectare	(RM)	8,719	6,176	4,719	8,603	7,396
RUBBER						
Production						
- Own estates	('000 kg)	3,610	5,234	5,439	6,162	8,105
Weighted Average Hectarage						
- Mature	(ha)	5,221	6,026	5,952	6,024	7,017
- Immature	(ha)	605	966	2,122	2,617	2,795
Total planted area	(ha)	5,826	6,992	8,074	8,641	9,812
Yield per mature hectare	(kg/ha)	691	868	914	1,023	1,155
Cost of Production	(sen/kg ex-estate)	1,028	882	871	693	574
Average Selling Prices (net of cess)	(sen/kg)	1,060	1,002	816	928	883
Average (loss)/profit per mature hectare	(RM)	(3,816)	(1,133)	(4,135)	(1,053)	1,173

* Includes one month of KSN production of 99,049 mt.

SEGMENTAL FINANCIAL PERFORMANCE

PLANTATION SEGMENT

The Plantation segment's pre-tax profit rose strongly to RM2.28 billion in FY2025 (FY2024: RM1.62 billion), driven primarily by higher average selling prices for Crude Palm Oil (CPO) and Palm Kernel (PK). The overall achieved selling price for CPO averaged significantly higher at RM3,964/mt, a result of sustained strength in market prices at both Malaysian and Indonesian origins for most part of the year.

In parallel, elevated lauric oil prices, resulting from weak coconut oil (CNO) production in the Philippines and low Crude Palm Kernel Oil (CPKO) inventory in Malaysia also lifted the average selling price for PK to RM3,215/mt, up from RM2,115/mt the previous year.

Average selling prices Palm Product	FY2025 (RM/mt ex-mill)	FY2024 (RM/mt ex-mill)	Change (RM/mt ex-mill)	%
CPO				
- Group	3,964	3,653	311	9
- Malaysia	4,314	3,965	349	9
- Indonesia	3,732	3,452	280	8
PK				
- Group	3,215	2,115	1,100	52
- Malaysia	3,461	2,320	1,141	49
- Indonesia	3,062	1,980	1,082	55

Palm oil prices are expected to remain volatile. Malaysian CPO production was surprisingly strong in October to November 2025, positioning the year to be a landmark for national output at well over 20 million tonnes. This surpasses the previous record of 19.96 million tonnes set in 2015. While Indonesia's production has also been rising, forecast uncertainties persist, leaving doubts over whether a strong year-on-year increase could be observed. Underpinning a potential tightening of supply is the growth in Indonesia's domestic biodiesel production this year and next. While the government has reaffirmed its plans to raise the mandatory palm oil content in biodiesel to 50% from 2026, officials have said that the launch will likely be delayed beyond January due to ongoing technical preparations. If implemented, an additional 3 million tonnes of palm oil will be absorbed domestically, leaving a smaller availability for the exports market.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL PERFORMANCE

OVERVIEW

In FY2025, KLK's Plantation Division recorded a steady improvement in Fresh Fruit Bunch (FFB) production and yield. Total FFB production reached 5.62 million tonnes (FY2024: 5.47 million tonnes), FFB yield increased to 21.12 mt/ha (FY2024: 20.6 mt/ha). Our average Oil Extraction Rate (OER) stood at 21.10% (FY2024: 21.36%) while CPO yield improved marginally to 4.46 mt/ha (FY2024: 4.41 mt/ha).

In Malaysia, estates in Tawau and Lahad Datu saw a notable rebound supported by major improvements in the management of sooty mould as well as stronger pollination mitigation measures. Similar recovery trends were observed in Indonesia, particularly in Belitung and Kalimantan Tengah, where yields strengthened following better pollination outcomes and reduced crop losses arising from theft.

Despite experiencing extraordinary flooding in Sabah, Kalimantan and Riau, FFB yields held up reasonably well. However, these floods negatively affected OER in several complexes due to excessive moisture and reduced field accessibility during critical harvesting periods.

Strong performances continued to be recorded in several high-yielding areas in Sumatra and Belitung, Indonesia achieving 6.0 mt/ha for CPO. Similarly, operations in the Southern and Northern region (including Perak) and Sabah, Malaysia also contributed to strong CPO yields. In total, these facilities cover approximately 32,000 hectares. These results highlight the effectiveness of targeted interventions and the consistency of operational practices across our high-performing estates.

While performance in FY2025 recorded a slight improvement, we remain mindful that continued discipline in operational execution is essential for sustaining long-term productivity. The gains achieved this year reinforce the importance of strengthening core agronomic practices, mitigating weather and pest pressures, and enhancing crop recovery efforts to support future growth.

CHALLENGES AND RESPONSES

1. Low OER

FY2025 saw continued pressure on OER due to prolonged wet conditions, excessive field moisture and uneven ripeness across several regions, particularly in areas affected by repeated or extended flooding. These conditions affected fruit quality, complicated harvesting and contributed to lower oil recovery in certain complexes.

To address these challenges, we introduced targeted measures to improve fruit consistency and reduce avoidable losses. We raised the minimum ripeness standard to ensure more uniform bunch ripeness, which supports better oil recovery. In estates where workforce is adequate, we also improved the process for separate collection and evacuation of loose fruit, given its higher oil content and contribution to overall extraction when properly recovered. Enhanced process during crop evacuation also reduces spillages and preserve quality.

2. Ongoing challenges with pollination

Poor pollination remained a challenge across several estates, particularly during periods of high rainfall when natural pollinator activity tends to weaken. This continued to affect fruit set and bunch development in areas where male inflorescence availability or weevil populations were inconsistent.

To address this, we applied selected strategies across all development phases, from replanting to the immature and young mature stages. The Centralised Hatchery and Release method introduced in FY2024 continued to be expanded in most areas of Indonesia and Sabah, soon to be Peninsular Malaysia and in FY2025 more than 1,800 kilograms of weevils were produced through this programme. These weevils are then released to promote natural pollination for more complete fruit set.

Assisted pollination efforts from reliable pollen source were also continued in FY2025.

In Indonesia, the government has embarked on an initiative to help address poor pollination by importing three weevil species from Tanzania, namely *E. kamerunicus*, *E. plagiatus* and *E. subvittatus*. These three species were specifically identified as they have dominance and adaptability to different agro-climatic conditions (rainfall, drought). These will be gradually released for field trials after population build-up and quarantine procedures are complete, following which, broader distribution to local farmers may be considered. The introduction of these species has the potential to diversify the ecological base and improve pollination in more challenging conditions.

We look forward to the results of these field trials next year, as successful outcomes could help strengthen pollination resilience and reduce reliance on a single pollinator species.



Improved fruit set from efforts of assisted pollination.

3. Unpredictable weather patterns

Weather patterns continued to shape operating conditions across our estates in FY2025. Several regions experienced extraordinary prolonged floods, particularly in Sabah, Kalimantan and Riau. At the same time, other areas experienced very hot and dry conditions, leading to uneven field conditions and disruptions to harvesting and crop evacuation.

These patterns are reflective of the regional shift from El Niño in 2023 to 2024 towards wetter conditions in late 2024 and early 2025. This transition brought heavier, more concentrated rainfall across parts of Malaysia and Indonesia, with shorter dry spells in between.

Hence, our teams placed greater emphasis on field accessibility and water management in the most affected areas. Drainage channels were cleared or strengthened to improve water flow, and repairs to roads and key crossings were prioritised to support timely crop evacuation once floodwaters receded. Rehabilitation works were also carried out in areas that experienced prolonged flooding to restore field conditions and stabilise crop performance. In areas where palms were severely damaged, they were resupplied. Further mitigation included raising bund levels in vulnerable stretches to minimise river spill-over, constructing additional outlets and installing extra flap gates to accelerate the discharge of floodwater, and intensifying water-pumping efforts in low-lying blocks to speed up recovery.

These measures helped reduce the impact of weather-related disruptions on daily field operations and supported more consistent crop recovery as weather patterns remained unpredictable throughout the year.

KEY INITIATIVES

1. Management of older palms and replanting programme

As at FY2025, the Group's weighted average age of palms stood at 13.9 years, with 79,505 hectares (27%) classified as older palms. With a sizeable portion of our fields entering their later productive years, we continued to focus on improving the management of older palms to maximise their remaining yield potential. These areas remain important contributors to overall production and effective management is needed to maintain crop stability while preparing for future replanting.

To support this, we continue to expand and strengthen Good Agricultural Practices (GAP) during sanitation work to help reduce the progression of Ganoderma in older palm stands. This included closer monitoring of symptomatic palms, together with more consistent sanitation cycles, to slow disease development and help maintain productive capacity. We also maintained a baseline fertiliser programme in dated fields earmarked for replanting to minimise nutrient stress and support stable production.

To ease the physical burden on our workers, we rolled out a lightweight carbon-graphite harvesting pole for harvesting and pruning taller palms. This tool has now been deployed across more than 78,000 hectares in Malaysia and Indonesia, helping to improve harvesting efficiency and worker ergonomics in older fields.

MANAGEMENT DISCUSSION & ANALYSIS

At the same time, replanting activities continue across the Group. In FY2025, we replanted approximately 7,500 hectares of oil palm (FY2024: 9,200 hectares) with a focus on estates in Peninsular Malaysia (Southern Region), Sabah (Tawau) and Belitung. These areas were prioritised based on age profile, yield performance and palm density, ensuring a steady pipeline of renewed plantings in the years ahead.

2. Improving soil health

Much of our oil palm in Malaysia is now in the third planting generation, soil health has become a more pressing concern. In many areas, we are dealing with compacted soils, increased acidity and the loss of fertile topsoil. These conditions reduce biological effectiveness and make it harder for palms to reach their true potential.

We continue to recondition soils during the replanting phase through cultural practices including liming. These activities are carried out with intention to improve soil conditions which are mostly possible only during land preparation for replanting. Rejuvenated and reconditioned soils, reduce acidity and create a better foundation for new plantings. The application of lime during replanting has shown positive effects on soil properties and early palm development.

In FY2025, we also began exploring the potential of POME fertigation as an additional soil improvement strategy in addition to irrigation. Trials are being carried out in selected estates in Peninsular Malaysia and Sabah, where treated effluent water is channelled from the effluent pond to the field. Early indications have been promising, although still in their initial stages. Besides improving soil moisture and nutrient availability, fertigation may also help reduce reliance on synthetic fertilisers, which can form a significant component of estate input costs.



Fertigation from effluent pond.

3. Improvement of visibility of critical operations

Improving visibility across harvesting operations remained a priority in FY2025, as gaps in real-time monitoring can lead to unharvested areas and fresh fruit bunches being left in the field for more than 24 hours. This can result in crop losses, uneven coverage and delays in evacuation.

With that, we developed the Harvesting Management System (KLK HAMS). The system uses GPS tracking to generate digital coverage maps and daily harvesting data, providing clearer oversight of harvesting activities and making reconciliation of harvested and collected fresh fruit bunches more efficient.

HAMS will in time replace manual tally counters with a GPS device carried by cutters and collectors, capturing routes, geo-locations and timestamps. This enables teams to monitor harvesting frequencies more systematically and ensure timely collection of all harvested bunches. The system is currently on trial in selected estates in Johor and has produced reliable data that helps improve field coverage in areas that are more challenging to supervise. As the system matures, we hope to expand its use across a wider area of our operations.



HAMS system tracking through GPS.

4. Continuous advancing of mechanisation across operations

Mechanisation has worked out very well for us to optimise labour, strengthen field efficiency and reduce the physical burden on workers. Mechanised in-field collection reached 71%, and 44% for mechanised manuring in mature areas. These levels are expected to rise as more machinery and technologies are introduced to support efficient and sustainable crop evacuation.

We continue to upgrade estate machinery with the introduction of the VMP800, the latest smart fertiliser spreader in the Verion line-up. Lighter and better balanced than previous models, the VMP800 provides improved handling and reduced operator strain. Eight units have been deployed across Lahad Datu, Sugut, Kalimantan and Sumatra.

We are also exploring mechanisation options for terrace areas, where field conditions limit the use of conventional equipment. Smaller electrical machines for crop evacuation, such as the E-PB, E-Badang and E-Tricycle are being assessed for their suitability in these terrains. Their battery-powered motors reduce physical effort and allow workers to operate more consistently with less fatigue. These machines offer better manoeuvrability and stability, supporting our aim to progressively expand mechanisation across the Group.



New Verion VMP800 smart fertiliser spreader.

5. Progress on enhancing workers' housing and well-being

At KLK, we recognise that our workers are our greatest asset. A stable and effective workforce is essential for us to meet our operational targets. Providing decent housing and improving living conditions remains an important part of this responsibility and is aligned with our vision of being a responsible steward of resources and people under our care.

We are pleased to report the completion of our three-year worker housing initiative for Peninsular Malaysia in FY2025. We invested a total of RM65.5 million involving the upgrading and construction of approximately 1,500 units. The initiative has helped improve the quality, safety and comfort of worker accommodations across the region, supporting better living conditions and contributing to stronger workforce stability.

The programme will continue for the next two years with additional units planned, including the expansion of housing improvements to Sabah, particularly in Sugut. Annual review will be carried out to prioritise locations and ensure resources are allocated effectively. Housing improvements in Indonesia are also progressing and will take into account local requirements, estate conditions and the needs of workers and their families.

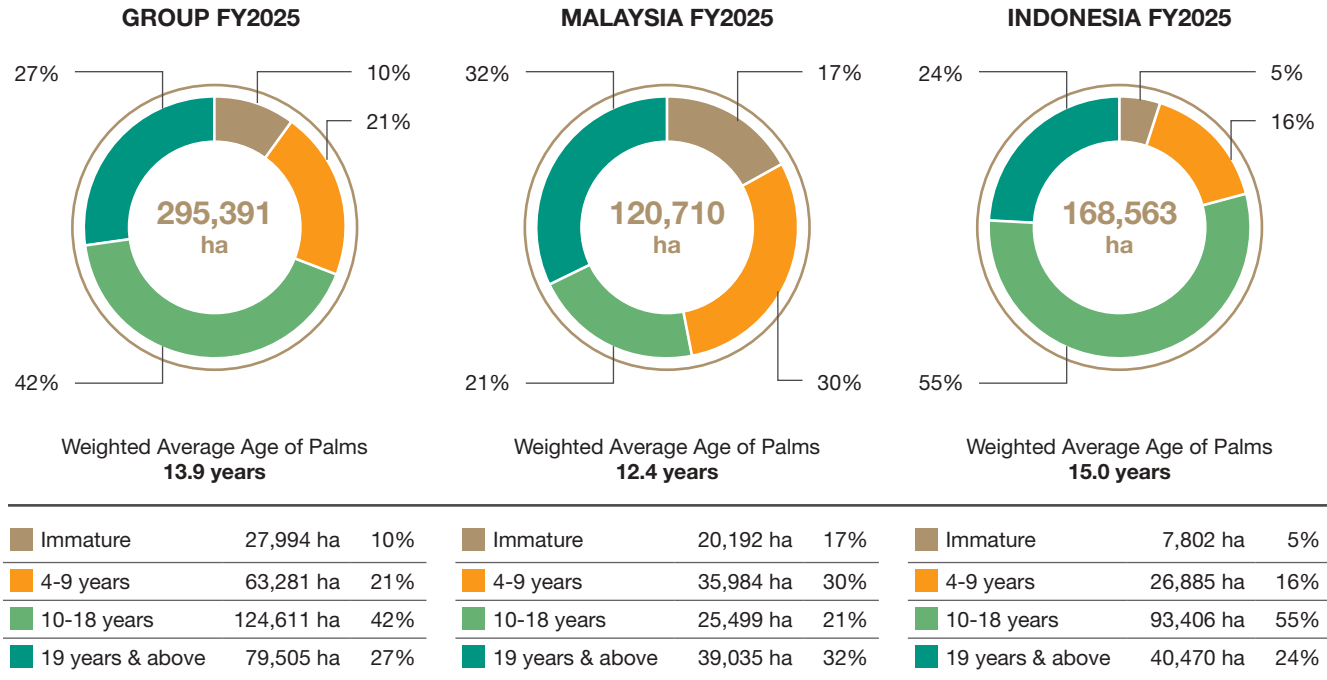
This year, the KSN Sugut Bridge in Sabah was officially rebuilt and reopened. The bridge restores an important connection between two areas of our Sungai Sabang estate, benefiting the surrounding community by improving access and mobility. It also links two major clusters supplying Sabang Berakan Mill 1 and Sabang Berakan Mill 2, improving logistics and operational efficiency in the region.



Workers' housing in East Kalimantan.

MANAGEMENT DISCUSSION & ANALYSIS

AGE PROFILE OF PALMS AS AT 30 SEPTEMBER 2025



At present, 63% of our planted area are in the favorable age profile with young and prime palms (ranging between 4 and 18 years), in particular in our Indonesia estates. The immature palm trees area has increased to 10% from 9% in FY2025.

RESEARCH AND DEVELOPMENT

The Group's Research & Development (R&D) plays a crucial role in driving ongoing improvements in agricultural practices, planting materials and the optimisation of agro-management inputs. These R&D activities are conducted through Applied Agricultural Resources Sdn Bhd (AAR), an associate company of KLK. In Indonesia, PT Applied Agricultural Resources Indonesia (AARI), a wholly owned subsidiary of KLK, performs a similar role to AAR, supporting our operations globally.

Here are the highlights of R&D for FY2025:

1. Automated Palm Counting and Growth Analysis Using the AA CAPTURS™ System

We continue to use Canopy Size Index (CSI) maps generated from our biennial mapping programmes to identify areas with subpar palm growth, enabling agronomists and managers to manage underperforming palms and focus on yield-limiting factors. This year, we developed a commercial AI software, AA CAPTURS™, which integrates the CSI model with an automated palm counting system. The software greatly enhances the efficiency of palm counting and growth assessment in plantations, reducing labour requirements, improving detection accuracy, and enabling precise monitoring of palm growth for sustainable agriculture. The system has been fully implemented across all KLK estates.

AA CAPTURS



AA CAPTURS™ Canopy Size Index map.

2. Application of LiDAR Technology for Replanting Planning

We continue to advance our replanting planning and simulation capabilities through the application of LiDAR technology and the development of in-house replanting design software. LiDAR provides highly accurate digital terrain models, which are crucial for designing effective layouts, particularly in low-lying areas that require proper drainage and in hilly terrains where precise road alignment is critical.

These LiDAR-based methodologies are being tested and refined in selected estates. To date, data acquisition has been completed for nearly 80% of estates in Malaysia and is expected to reach full coverage by Q1 2026. These datasets are being applied to design optimised road networks, terraces, and drainage systems, and to generate digital blueprints that guide field implementation.

We are also continuing research on palm biomass estimation using LiDAR data to enhance AAR's in-house nutrient, growth, and yield model for more accurate fertiliser recommendations and palm productivity assessment. Unlike conventional ground-based methods, LiDAR mapping provides detailed information on individual trees within plantations and enables more precise measurement of carbon sequestration.

3. Application of remote sensing tools

In collaboration with NASA's Jet Propulsion Laboratory (JPL) and Universiti Tunku Abdul Rahman (UTAR), we are developing methodologies for large-scale soil and plant moisture estimation using high-resolution radar satellites. The satellite data will support a wide range of applications, including improving weather forecasting, predicting crop productivity, and analysing water cycles. IoT sensors installed in the plantations are being used to calibrate satellite observations, enabling detailed studies of water dynamics in relation to drought, nutritional status, pest and disease pressures, and their impacts on productivity. We are proud to be the first oil palm research organisation in the world to collaborate with NASA on this initiative.

To improve efficiency and spatial visibility to access sooty mould severity in the Sabah estates, drone imagery was used to generate severity maps showing the extent and distribution of infection. Mapping was completed for all estates in 2025, enabling more targeted interventions and the development of a systematic treatment plan. In the Tawau region, estates recorded a 30% increase in yield compared with the same period last year, demonstrating the value of consistent monitoring and control supported by remote sensing. Latest drone imagery also indicates that treated palms have a more vigorous and greener canopy compared with untreated palms.



Drone image showing canopy appearance with and without treatment for sooty mould.

MANAGEMENT DISCUSSION & ANALYSIS

CONCLUSION

In summary, FY2025 was a good year for the industry supported by firm CPO prices, although there remains much for us to improve operationally in order to meet our targets. While the year delivered steady gains, we are mindful that consistent delivery requires discipline, attention to detail and a continued focus on strengthening the fundamentals across our estates. We must not be too quick to celebrate our laureates, as there is still meaningful work ahead to realise the full yield potential of our plantings and to achieve the oil extraction levels we are working towards.

Looking ahead, we will remain focused on building resilience within our operations and sustaining improvements in core field parameters that support better outcomes and higher yields. This includes continued attention to growing conditions, the effective management of older palms, and the mitigation of weather, pest and disease pressures. At the same time, we will refine internal protocols to enhance efficiency in key processes, including those that support improved oil extraction and overall oil yield.

As regulatory expectations continue to evolve, we will also strengthen supply chain traceability across our upstream operations to support responsible and transparent production. These priorities will guide us as we work towards a more consistent performance trajectory and continue to build a stronger foundation for long-term growth.

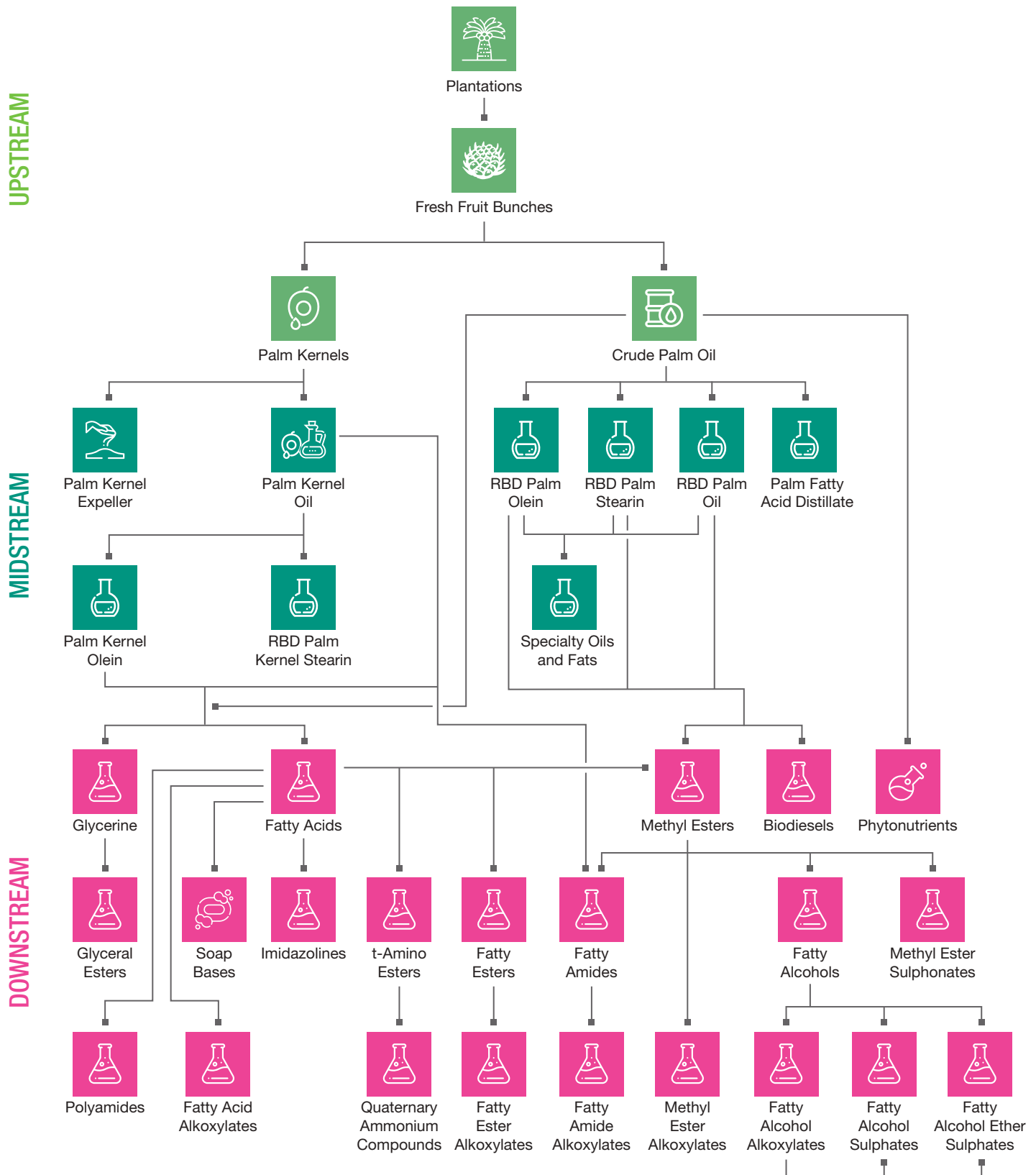
For FY2026 we project the average price of CPO and PK to be RM4,000/mt and RM3,300/mt respectively, basis ex-mill Peninsular Malaysia.



Harvester tipping FFB into collection bin at Ladang Glenealy, Perak.

INTEGRATED BUSINESS VALUE CHAIN

The vertical integration across the upstream business (Plantation), midstream (Refinery), and downstream oleochemical operations generates synergistic benefits for the KLK Group. This value chain enables the Group to further diversify into different market segments and mitigate risks from volatilities in the respective business segments.



MANAGEMENT DISCUSSION & ANALYSIS



Palm-Oleo Klang Ester Plants.

MANUFACTURING

OLEOCHEMICAL



In FY2025, the Oleochemical market experienced mixed conditions across major regions. Demand remained relatively soft, particularly in construction-linked and industrial applications, reflecting weaker activity in these sectors. Overall consumption was slow but stable.

Feedstock priced, predominantly CPKO, stayed elevated for most of the year. While this benefited the Group's upstream plantation operations, it tightened margins for our downstream Oleochemical business units.

Purchasing behaviour across customers shifted to short-term, hand-to-mouth buying as they waited for feedstock price correction. Uncertainty around US tariff policies and the evolving EUDR regulations also continued to affect sentiment, with some customers adopting a cautious stance.

Against this backdrop, operating conditions remained challenging, with downstream margins under pressure and market sentiment subdued across regions.

MALAYSIA

Operations in Malaysia were significantly affected by the Putra Heights gas pipeline explosion, which disrupted gas supply to our sites for approximately three to four months. Even after partial supply resumed, plants could not operate at full capacity. This resulted in both actual and opportunity losses.

Profitability was also constrained by elevated CPKO prices. Weak sentiment in the industrial segment, coupled with flattish prices across home and personal care, and food applications, further limited margin improvement.

However, methyl esters performed well, with stronger margins for various methyl ester fractions, supported by a wider spread between crude palm oil and refined palm oil, and firmer glycerine prices.

CHINA

Market conditions in China remained challenging. Economic sentiment stayed muted despite various stimulus measures introduced by the government, including reductions in interest rates and easing of borrowing. Slower activity in property, construction and industrial sectors continued to weigh on downstream consumption. Structural overcapacity in basic oleochemicals also limited pricing strength.

Feedstock price volatility further added to uncertainty. For approximately three months during the year, CPKO sourced from Indonesia, the primary feedstock supply region for China, traded above Malaysian levels. With operations in both Malaysia and Indonesia, the Group was able to leverage our sizeable footprint in both Malaysia and Indonesia to source flexibly between regions. This supported our competitive position in China.

Oleo derivative products continue to be the key profit driver for China.

EUROPE

In Europe, the Group continued to consolidate its operations to strengthen its business resilience. During the year, the pharmaceutical business was unified under KLK OLEO Life Science. This integration improves our pharmaceutical portfolio. The portfolio is supported by four specialised sites in Hedingen, Emmerich am Rhein, Düsseldorf and Delden and has gained encouraging initial traction.

To support customers in their decarbonisation requirements, the Group expanded its Product Carbon Footprint (PCF) capabilities. Without PCF data, customers are unable to compute Scope 3 emissions. To-date, PCF was determined for 171 products for the Group in accordance with ISO 14067, exceeding the FY2025 target of 50 products. This is a continuous journey and will strengthen our position as a trusted partner.

The focus remained on improving plant reliability and efficiency through targeted measures to stabilise production and manage costs. At the same time, the Group is optimising the business by focusing on key segments that are more resilient and profitable.

OUTLOOK

With major capacity expansion projects now completed, focus will shift to fulfilling capacity and strengthening operational discipline to improve returns. This includes leveraging our integrated downstream facility, PT PSS in Indonesia, which provides a better balance of supply from Malaysia and Indonesia.

The Group will also take the opportunity of softer market conditions to revisit and further strengthen operational capabilities. Efforts include cost optimisation, streamlining workflows and resource allocation to reinforce long-term competitiveness. Greater emphasis will be placed on turnaround initiatives for business units that are currently underperforming, with the aim of restoring sustainable contributions over time.

These measures will place the Group on a stronger footing to support demand and capture opportunities when market conditions improve.

MANAGEMENT DISCUSSION & ANALYSIS

REFINERIES



Refineries in Malaysia and Indonesia have suffered negative margins most of the time during the year in review. Particularly in Indonesia, due to a challenging environment of industry overcapacity and elevated CPO prices. In contrast, the kernel crushing segment delivered a strong performance, bolstered by tight lauric oil supply and strong demand for specialty fats. The segment benefited from persistently high CPKO prices, which were underpinned by adverse weather, impacting the Philippines coconut oil production and reduced copra availability from Indonesia due to increased whole/husked coconut exports.

As part of our continued focus in strategically growing our differentiated midstream refining business, we have entered a joint venture with Sweden's AAK AB to build a specialty oils and fats refinery in Pasir Gudang, Johor. The joint venture, named Nura Speciality Oils and Fats Sdn. Bhd. (formerly known as KLK Nura Fats Sdn. Bhd.) will manufacture high-value palm oil derivatives for the global food sector. Operations are slated to begin in 2028, reaching full utilisation by 2029. By combining KLK's sustainable, integrated palm oil platform with AAK's cutting-edge expertise in specialty fats and formulations, this partnership is designed to unlock superior value, ensure reliable supply and foster innovation for our customers globally.

FY2025 saw the completion of two important projects to pave the way for KLK's expansion in the midstream in terms of capacity, geographical reach and product diversity in the bulk and packed product segments. Our joint venture refinery and packing plant, KLK-Alami Edible Oils (KAEO) in Telok Panglima Garang was commissioned and operational in February 2025. This newly refurbished plant is KLK's main foray into the packed edible oil sector and a launchpad for us to penetrate new markets in the Middle East and Central Asia.

Meanwhile in East Kalimantan, the Group's flagship integrated biorefinery complex, PT Perindustrian Sawit Synergi (PT PSS) was also successfully commissioned in February 2025 after overcoming challenges in location and adverse weather conditions. The complex houses a refinery, kernel crushing plant, power plant, deep seaport and fully integrated into the downstream oleochemicals plants.

Along with the Group's plants in Malaysia and Indonesia, KAEO and PT PSS are positioned to expand our market reach by leveraging on their access to raw material supplies and logistical network.

NON-OLEOCHEMICAL



The operating environment for rubber products remained challenging during the year with global pricing showing little movement and margins remained under pressure. Nevertheless, the Group remained committed to carry out our exercise for operational refinement on the disposable gloves line to improve production speed and enhance quality consistency. As a result of this operational exercise, some losses were recognised in FY2025 which include write-downs of off-spec gloves generated previously.

The reusable gloves segment continue to be a consistent contributor to the Group. The Group has invested in research and development to explore entry into the Personal Protective Equipment market, which remains a growing market.

With refreshed facilities and a strengthened management team, KL-Kepong Rubber Products is comparable in offering competitive pricing alongside consistent quality. Looking ahead, we believe the business is positioned for gradual recovery and resilience.

PROPERTY DEVELOPMENT



Night view of Central Park, Bandar Seri Coalfields.



MARKET OVERVIEW

The Malaysian property market in 2025 faced mixed sentiments with resilient sales performance in certain segments and locations. However, there have been reports of slower rate of sales and even concerns of oversupply concentrated in affordable and medium income housing in outskirts urban areas.

Landed properties, particularly terrace houses, remain the preferred product type in new launches, although limited high-rise projects in prime CBD locations still reported healthy take-up rates. However, sales uptake rates for mass housing have slowed and affordability challenges persists, as average household income falls short of supporting median housing prices.

Despite these pressures, the market continues to receive support from ongoing mega infrastructure projects such as East Coast Rail Line (ECRL) and Rapid Transit System (RTS) and active Federal and State level led initiatives such as the Johor-Singapore Special Economic Zone (JS-SEZ) and various High-Tech Industrial Park zone launches in Johor, Selangor, and Perak. Steady demand in selected market segments is expected. However, with the increasing supply and competition expected for local and regional markets, risks remain elevated and close monitoring and marketing efforts will be stepped up to enhance sales performance and ensure manageable unsold backlog in the coming quarters.

■ **RM182.9 million**
FY2025 Revenue

■ **RM41.8 million**
FY2025 Pre-Tax Profit

PERFORMANCE

For FY2025, KLK Land recorded a revenue of RM182.9 million, representing a 20% decline compared to the previous financial year (FY2024: RM229.4 million). The lower revenue was mainly attributable to slower sales in Bandar Seri Coalfields. In tandem with the decline in revenue, pre-tax profit decreased by 10% to RM41.8 million, (FY2024: RM46.4 million), primarily attributed to the lower sales of Jardin 2 link houses and Quinton 1 cluster homes in Bandar Seri Coalfields, as well as Phase 1 Kamelia terrace houses in Caledonia townships.

Nevertheless, deliveries of vacant possessions for four projects were completed during the FY, namely Jardin 2 and Quinton 1 in Bandar Seri Coalfields, together with Phase 2 Ayana terrace houses and Caledonia Avenue shops in Caledonia.

Unbilled sales as of 30 September 2025 is RM45.2 million (As at 30 September 2024: RM86.2 million).

MANAGEMENT DISCUSSION & ANALYSIS

BANDAR SERI COALFIELDS

In FY2025, the Group embarked on a strategic exercise to rebrand and reposition Bandar Seri Coalfields, our flagship township, with the objective of strengthening its identity as a liveable, community-centred development. This initiative is anchored on enhancing the quality of daily life for residents by enriching township value, achieved through the thoughtful transformation of key public spaces into meaningful destinations. These enhancements elevate the living experience, build a stronger sense of belonging, and provide a competitive edge that supports both customer retention and new demand.

During the year, upgrades at the Coalfields Clubhouse sports facilities were refreshed, including reconfigurable pickleball and tennis courts, alongside a new café station to serve residents. Significant improvements were also made at Central Park, featuring a floating pavilion and a dedicated active play area for children.

Construction of the Coalfields Retail Park progressed well, reaching 90% completion and on track for handover by end-2025. A five-month tenant fit-out period will follow. With a net lettable area of 332,094 sqft, the mall is positioned to serve as a new regional destination, offering entertainment, indoor recreation (including an ice-skating rink), retail and F&B outlets. To-date the mall has secured 73% of tenants and the unveiling ceremony of notable key anchor brands was held on 12 November 2025. Once operational, the mall will further support the vibrancy and liveability of the township.

To complement these enhancements, the Group has also signed an MoU with Kuen Cheng Holistic Education Berhad to establish Kuen Cheng High School 2 within the integrated education zone in Bandar Seri Coalfields. Targeted for completion in FY2027,



Coalfields Retail Park unveiled its key tenants on 12 November 2025, reaffirming the project's progress towards its targeted opening by end Q3FY2026.

the school marks another step in strengthening the township's family-centric appeal by expanding access to quality private education. The education zone serving the Northern Klang Valley Corridor currently includes Wesley Methodist Private School, SJK(T) Ladang Coalfields, and the soon-to-be-completed Chinese primary school, SJK(C) Lee Loy Seng, scheduled for January 2028.

In addition, the Group has plans to introduce a pickleball and sports entertainment complex, further reinforcing Bandar Seri Coalfields' positioning as a regional education, sports, retail, F&B and entertainment hub.

Infrastructure upgrading works including further widening of the Sungai Buloh-Kuala Selangor main trunk road (Federal Trunk Road 54), internal roads walkways are ongoing for smooth and convenient vehicular and pedestrian circulation.

CALEDONIA

The Caledonia Avenue shops and Ayana terrace houses achieved 95% sales, with handover for Ayana 2 and Caledonia Avenue set to further boost the vibrancy of the township. Kamelia Phase 1 terrace houses launched in May 2025, featuring 132 units of double-storey terrace houses drew significant interest.

Iris Phase 2 and 3 terrace houses are targeted for launch towards the end of FY2026. These phases will continue to cater to the demand for more affordable housing within the township.

The completion of the commercial precinct and the opening of the dedicated sales office will enhance buyer confidence and support stronger sales performance. The petrol station complex within the commercial hub will further improve convenience, increasing the range of amenities for the township.

All major infrastructure works for the township have been completed with full accessibility from all road junctions from Federal Trunk Road 54.

INDUSTRIAL DEVELOPMENT – KLK TechPark



Artist impression of KLK TechPark @ Tanjong Malim, Perak.

In FY2025, KLK Land introduced KLK TechPark series, with the first industrial park located at Tanjong Malim, Perak. The 1,500-acre freehold development benefits from its proximity to the Automotive High-Tech Valley (AHTV), North-South Expressway, ready infrastructure and its frontage onto Federal Route 1.

The development recorded a major milestone in Phase 1, with sale of 150 acres to BYD for its EV assembly plant. Infrastructure works for this phase are progressing as planned, with completion targeted by end-2026.

Phase 2 is scheduled for launch in Q2 FY2026. Designed as a vendor park to support the EV industry and its supply chain ecosystem, Phase 2 will also be open to other industrialists, including manufacturers and logistics players seeking to establish their presence within KLK TechPark. The product mix will include infrastructure-ready industrial land, ready-built factories, and built-to-suit solutions to cater to diverse investor needs. With these strategies in place, KLK TechPark aims to anchor itself as a premier industrial hub, fostering high-value investments and contributing to the long-term growth of the Tanjong Malim corridor.

CONCLUSION

Looking ahead, the Group will continue to build on the foundation set this year. With ongoing initiatives to complete our lifestyle offering and comfortable living environment of the township, we expect Bandar Seri Coalfields to be an attractive place for residents to call home. As the Coalfields Retail Park nears completion, we anticipate increased activity and stronger demand from both existing and new homeowners. This progress will also continue to support the momentum at Caledonia.

On industrial development, the i-Park@ Coalfields, a joint venture with AME Elite in Ijok, Selangor, is planned to be launched in Q3FY2026. This initiative will anchor KLK Land's industrial development brand and pave the way for future projects across the Group's landbanks in Klang Valley, Perak and Johor.