

FINANCIAL REPORT

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Directors' Report

Directors' Report

The Directors of IOI Corporation Berhad have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries, associates and joint ventures are primarily involved in investment holding; oil palm cultivation and processing; commodities trading and refinery; manufacture and sales of fatty acids, soap noodles, glycerine and other oleochemical related products; manufacture and sale of plasticizer products, margarine, shortening and fat spreads; processing of oil palm trunks and other bio-matter derived from plantations to produce materials used in furniture, construction and building industries; processing and distribution of crude coconut oil and other coconut related products; production and supply of renewable energies; as well as provision of management services and other related business activities. The principal activities and the details of the subsidiaries, associates and joint ventures are set out in Note 38 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

The audited financial results of the Group and of the Company for the financial year are as follows:

In RM million	**Group**	**Company**
Profit before tax	2,108.3	976.2
Tax expense	(398.7)	(4.4)
Profit for the financial year	1,709.6	971.8
Attributable to:		
Owners of the parent	1,682.0	971.8
Non-controlling interests	27.6	-
	1,709.6	971.8

DIVIDENDS

Dividends declared and paid since the end of the previous financial year were as follows:

In RM million	**Company**
First interim single tier dividend in respect of the financial year ended 30 June 2026 declared and paid of 5.5 sen per ordinary share	345.7
Second interim single tier dividend in respect of the financial year ended 30 June 2025 declared and paid of 5.5 sen per ordinary share	341.2
	686.9

On 28 August 2026, the Board of Directors declared a second interim single tier dividend of 7.0 sen per ordinary share, amounting to RM440.0 million in respect of the financial year ended 30 June 2026. The dividend is payable on 25 September 2026 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 15 September 2026.

No final dividend has been recommended by the Board of Directors for the financial year ended 30 June 2026.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at an extraordinary general meeting held on 18 November 1999, approved the Company's plan to repurchase up to 10% of the issued share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed during subsequent Annual General Meetings ("AGM") of the Company, including the last AGM held on 4 November 2025.

The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company.

The Company did not repurchase any of its issued ordinary shares from the open market during the financial year.

The Company has the right to cancel, resell and/or distribute the treasury shares as dividends or transfer the treasury shares as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

During the financial year, the Company sold all its accumulated 81,501,700 treasury shares in the open market for a total consideration of RM334.2 million at a price of RM4.10 per ordinary share (RM333.6 million, net of transaction costs). Following the sale of treasury shares, the paid-up ordinary share capital increased from RM791.1 million to RM814.9 million.

At the end of the financial year, the Company did not hold any treasury shares.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS

The Directors of the Company who have held office during the financial year until the date of this report are as follows:

Tan Sri Abdul Wahid bin Omar
Dato' Lee Yeow Chor
Dato' Lee Yeow Seng
Dr Nesadurai Kalanithi
Dato' Kong Sooi Lin
Lim Tuang Ooi
Datuk Zurinah binti Pawanteh
Tan Sri Peter Chin Fah Kui (Retired on 4 November 2025)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year who have beneficial interests in the shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2026 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia are as follows:

	As at 1 July 2025	Acquired	Disposed	As at 30 June 2026/ As at the date of retirement*
The Company				
Direct interest				
No. of ordinary shares				
Dato' Lee Yeow Chor	35,846,200	653,800	-	**36,500,000**
Indirect interests				
No. of ordinary shares				
Dato' Lee Yeow Chor	3,129,734,980	50,000	-	**3,129,784,980**
Dato' Lee Yeow Seng	3,129,534,980	-	-	**3,129,534,980**
Tan Sri Peter Chin Fah Kui *	20,000	-	-	**20,000**
Ultimate Holding Company				
Progressive Holdings Sdn Bhd				
Direct interests				
No. of ordinary shares				
Dato' Lee Yeow Chor	18,600,000	-	-	**18,600,000**
Dato' Lee Yeow Seng	5,400,000	-	-	**5,400,000**
No. of redeemable preference shares				
Dato' Lee Yeow Chor	541,834,275	-	(267,142,500)	**274,691,775**
Dato' Lee Yeow Seng	157,306,725	-	(77,557,500)	**79,749,225**

By virtue of Dato' Lee Yeow Chor's and Dato' Lee Yeow Seng's interests in the ordinary shares of the Company and of its ultimate holding company, they are also deemed to be interested in the shares of all the subsidiaries of the Company and of its ultimate holding company to the extent that the Company and its ultimate holding company have an interest.

The other Directors holding office at the end of the financial year namely, Tan Sri Abdul Wahid bin Omar, Dr Nesadurai Kalanithi, Dato' Kong Sooi Lin, Lim Tuang Ooi and Datuk Zurinah binti Pawanteh did not have any interest in the ordinary shares and redeemable preference shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors (disclosed as Directors' remuneration and as shown in the Note 34.3 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits, which may be deemed to have arisen by virtue of the significant related party transactions entered into in the ordinary course of business as disclosed in Note 34 to the financial statements.

DIRECTORS' BENEFITS (Continued)

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 30 June 2026 were as follows:

In RM million	Group	Company
Fees	1.7	1.7
Remuneration	22.2	22.2
Total short term employee benefits	23.9	23.9
Post-employment benefits	2.6	2.6
	26.5	26.5

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and Officers of the Group during the financial year, which provides coverage for the Directors and Officers of the Group and of the Company from operational risks where possible. The total insurance premium paid for the financial year was RM144,300.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS OF THE GROUP AND OF THE COMPANY

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the impairment for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that allowance on doubtful debts had been made for impairment; and

ii. to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business of the Group and of the Company have been written down to an amount which they might be expected so to realise.

As at the date of this report, the Directors are not aware of any circumstances:

i. which would render the amount written off for bad debts or the amount of allowance for impairment on doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;

ii. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

iii. which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS OF THE GROUP AND OF THE COMPANY (Continued)

As at the date of this report, there does not exist:

i. any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; and

ii. any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year, which in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION

As at the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

i. the results of operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the Directors of the subsidiaries during the financial year until the date of this report are as follows:

Dato' Lee Yeow Chor
Dato' Lee Yeow Seng
Amir Mohd Hafiz bin Amir Khalid
Datuk Abdul Ghani bin Mohamed Yassin
Datuk Syaheddrul Rahman bin Joddari
Datu Sr. Zaidi bin Mahdi
Dr Klaus Kasimir Wilgenbus
Hans Peter Fitch
Jailis bin Masarip @ Misarip *
Joseph N Emuang JR
Kong Kian Beng
Koo Ping Wui
Law Kim Soon
Lee Nyuk Choon @ Jamilah Ariffin ^
Lee Yoke Hean
Lim Jit Uei (Lin Riwei)
Lio Jih Haur *
Low Pei Chen
Mark Tuchen
Poppe Engbert Braam
Risman
Sebastian Anak Baya

LIST OF DIRECTORS OF SUBSIDIARIES (Continued)

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the Directors of the subsidiaries during the financial year until the date of this report are as follows (Continued):

Sia Chieng Ho
Subramaniam Arumugam
Sudhakaran a/l Nottath Bhaskaran
Shyam a/l M K Lakshmanan
Tan Kean Hua
Tan Sri Dato' Sri Koh Kin Lip
Teah Chin Guan @ Teh Chin Guan
Teunis Eigenraam
Thomas Kummer
Wong Yin Ling

^ *Resigned during the financial year.*
* *Appointed during the financial year.*

ULTIMATE HOLDING COMPANY

The ultimate holding company is Progressive Holdings Sdn Bhd, a company incorporated in Malaysia.

AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")

The Directors who serve as members of the ARMC as at the date of this report are as follows:

Dato' Kong Sooi Lin (Chairman)
Lim Tuang Ooi
Dr Nesadurai Kalanithi

GOVERNANCE, NOMINATING AND REMUNERATION COMMITTEE ("GNRC")

The Directors who serve as members of the GNRC as at the date of this report are as follows:

Datuk Zurinah binti Pawanteh (Chairman)
Dr Nesadurai Kalanithi
Lim Tuang Ooi

BOARD SUSTAINABILITY COMMITTEE ("BSC")

The Directors who serve as members of the BSC as at the date of this report are as follows:

Dr Nesadurai Kalanithi (Chairman)
Dato' Kong Sooi Lin
Datuk Zurinah binti Pawanteh

AUDITORS

The auditors, BDO PLT [201906000013 (LLP0018825-LCA) & AF 0206], have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2026 were as follows:

In RM million	Group	Company
Statutory audit		
- BDO PLT	1.4	0.2
- Member firms of BDO International	0.3	-
- Other auditors	1.0	-
	2.7	0.2

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Tan Sri Abdul Wahid bin Omar
Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Putrajaya
28 August 2026

Statements of Profit or Loss

For the Financial Year Ended 30 June 2026

In RM million	Note	Group 2026	Group 2025	Company 2026	Company 2025
Revenue	5	**11,779.1**	11,334.7	**976.7**	802.3
Cost of sales		**(9,222.6)**	(9,114.4)	**(3.0)**	(3.7)
Gross profit		**2,556.5**	2,220.3	**973.7**	798.6
Other operating income	6	**304.9**	245.3	**95.8**	281.6
Marketing and selling expenses		**(245.8)**	(259.3)	**-**	-
Administration expenses		**(413.8)**	(391.6)	**(34.5)**	(29.1)
Other operating expenses	7	**(495.0)**	(465.5)	**(40.1)**	(285.3)
Operating profit		**1,706.8**	1,349.2	**994.9**	765.8
Share of results of associates, net of tax		**389.0**	348.0	**-**	-
Share of results of joint ventures, net of tax		**3.2**	3.4	**-**	-
Profit before interest and tax		**2,099.0**	1,700.6	**994.9**	765.8
Interest income	8	**27.5**	32.6	**27.3**	34.7
Finance costs	9	**(128.8)**	(139.8)	**(75.4)**	(92.1)
Net foreign currency translation gain on foreign currency denominated borrowings		**124.0**	278.5	**42.9**	88.7
Net foreign currency translation (loss)/gain on foreign currency denominated deposits		**(13.4)**	5.6	**(13.5)**	5.7
Profit before tax	10	**2,108.3**	1,877.5	**976.2**	802.8
Tax expense	11	**(398.7)**	(341.1)	**(4.4)**	(23.3)
Profit for the financial year		**1,709.6**	1,536.4	**971.8**	779.5
Attributable to:					
Owners of the parent		**1,682.0**	1,520.6	**971.8**	779.5
Non-controlling interests		**27.6**	15.8	**-**	-
		1,709.6	1,536.4	**971.8**	779.5
Earnings per ordinary share attributable to owners of the parent (sen)	12				
Basic and Diluted		**26.89**	24.51		
Dividend per ordinary share (sen)	13				
First interim single tier dividend		**5.5**	5.0	**5.5**	5.0
Second interim single tier dividend		**7.0**	5.5	**7.0**	5.5
Total		**12.5**	10.5	**12.5**	10.5

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Comprehensive Income

For the Financial Year Ended 30 June 2026

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Profit for the financial year	**1,709.6**	1,536.4	**971.8**	779.5
Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss				
Share of other comprehensive loss of associates	**(0.7)**	(0.7)	**-**	-
Re-measurements of the defined benefit obligations	**2.0**	(1.1)	**-**	-
Tax effect relating to re-measurements of the defined benefit obligations	**(0.6)**	0.3	**-**	-
	0.7	(1.5)	**-**	-
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss when specific conditions are met				
Exchange differences on translation of foreign operations	**(361.0)**	(251.8)	**-**	-
Share of other comprehensive income/(loss) of associates	**22.6**	(28.9)	**-**	-
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031				
Reclassified to profit or loss	**(2.4)**	(2.6)	**-**	-
	(340.8)	(283.3)	**-**	-
Other comprehensive loss, net of tax	**(340.1)**	(284.8)	**-**	-
Total comprehensive income for the financial year	**1,369.5**	1,251.6	**971.8**	779.5
Total comprehensive income attributable to:				
Owners of the parent	**1,341.9**	1,235.8	**971.8**	779.5
Non-controlling interests	**27.6**	15.8	**-**	-
	1,369.5	1,251.6	**971.8**	779.5

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Financial Position

As at 30 June 2026

In RM million	Note	Group 2026	Group 2025	Company 2026	Company 2025
ASSETS					
Non-current assets					
Property, plant and equipment	14	**10,043.6**	9,432.6	**81.0**	84.1
Intangible assets	15	**422.2**	406.1	**0.5**	0.7
Investments in subsidiaries	16	**-**	-	**7,909.6**	7,847.9
Amounts due from subsidiaries	16	**-**	-	**97.2**	202.6
Investments in associates	17	**3,285.8**	3,245.8	**835.3**	770.2
Derivative assets	18	**8.6**	32.7	**1.8**	1.3
Deferred tax assets	19	**24.4**	23.2	**-**	-
Other non-current assets	20	**277.5**	199.9	**38.1**	7.7
		14,062.1	13,340.3	**8,963.5**	8,914.5
Current assets					
Inventories	21	**1,457.6**	1,419.8	**-**	-
Trade and other receivables	22	**1,419.6**	1,393.3	**34.6**	33.7
Amounts due from subsidiaries	16	**-**	-	**809.9**	457.7
Amounts due from associates	23	**104.4**	102.7	**-**	-
Derivative assets	18	**29.9**	57.6	**1.5**	1.4
Other current assets	24	**197.9**	211.4	**2.6**	3.2
Cash and cash equivalents	25	**1,843.6**	1,578.4	**159.3**	214.4
		5,053.0	4,763.2	**1,007.9**	710.4
Assets classified as held for sale	26	**-**	27.2	**-**	-
TOTAL ASSETS		**19,115.1**	18,130.7	**9,971.4**	9,624.9

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Financial Position

As at 30 June 2026

In RM million	Note	Group 2026	Group 2025	Company 2026	Company 2025
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	27	**814.9**	791.1	**814.9**	791.1
Treasury shares	27	**-**	(309.8)	**-**	(309.8)
Reserves	28	**(508.5)**	(167.7)	**-**	-
Retained earnings		**12,976.2**	11,980.4	**7,388.7**	7,103.8
		13,282.6	12,294.0	**8,203.6**	7,585.1
Non-controlling interests		**350.9**	338.8	**-**	-
Total equity		**13,633.5**	12,632.8	**8,203.6**	7,585.1
LIABILITIES					
Non-current liabilities					
Borrowings	29	**2,055.3**	2,474.5	**306.8**	595.4
Amounts due to subsidiaries	16	**-**	-	**817.3**	866.3
Lease liabilities	30	**39.3**	40.0	**-**	-
Derivative liabilities	18	**23.4**	1.4	**-**	1.4
Deferred tax liabilities	19	**1,354.8**	1,257.0	**4.9**	5.3
Other non-current liabilities	31	**69.0**	74.4	**-**	-
		3,541.8	3,847.3	**1,129.0**	1,468.4
Current liabilities					
Borrowings	29	**1,034.6**	740.1	**542.1**	424.1
Trade and other payables	32	**738.0**	821.9	**61.0**	109.5
Amounts due to subsidiaries	16	**-**	-	**35.7**	36.4
Derivative liabilities	18	**39.3**	10.6	**-**	1.4
Lease liabilities	30	**3.1**	6.5	**-**	-
Other current liabilities	33	**124.8**	68.1	**-**	-
		1,939.8	1,647.2	**638.8**	571.4
Liabilities classified as held for sale	26	**-**	3.4	**-**	-
Total liabilities		**5,481.6**	5,497.9	**1,767.8**	2,039.8
TOTAL EQUITY AND LIABILITIES		**19,115.1**	18,130.7	**9,971.4**	9,624.9

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Changes in Equity

For the Financial Year Ended 30 June 2026

In RM million	Share capital	Treasury shares	Non-distributable: Capital reserve	Non-distributable: Foreign currency translation reserve	Non-distributable: Hedging reserve	Non-distributable: Other reserves	Distributable: Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
Group										
As at 1 July 2025	**791.1**	**(309.8)**	**7.7**	**(182.2)**	**15.0**	**(8.2)**	**11,980.4**	**12,294.0**	**338.8**	**12,632.8**
Profit for the financial year	**-**	**-**	**-**	**-**	**-**	**-**	**1,682.0**	**1,682.0**	**27.6**	**1,709.6**
Re-measurements of the defined benefit obligations	**-**	**-**	**-**	**-**	**-**	**-**	**1.4**	**1.4**	**-**	**1.4**
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**(361.0)**	**-**	**-**	**-**	**(361.0)**	**-**	**(361.0)**
Share of other comprehensive income/(loss) of associates	**-**	**-**	**-**	**25.9**	**-**	**(3.3)**	**(0.7)**	**21.9**	**-**	**21.9**
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031	**-**	**-**	**-**	**-**	**(2.4)**	**-**	**-**	**(2.4)**	**-**	**(2.4)**
Total comprehensive (loss)/income	**-**	**-**	**-**	**(335.1)**	**(2.4)**	**(3.3)**	**1,682.7**	**1,341.9**	**27.6**	**1,369.5**
Transactions with owners										
Dividends paid (Note 13)	**-**	**-**	**-**	**-**	**-**	**-**	**(686.9)**	**(686.9)**	**-**	**(686.9)**
Net proceeds from sale of treasury shares of the Company	**23.8**	**309.8**	**-**	**-**	**-**	**-**	**-**	**333.6**	**-**	**333.6**
Dividends paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(15.5)**	**(15.5)**
As at 30 June 2026	**814.9**	**-**	**7.7**	**(517.3)**	**12.6**	**(11.5)**	**12,976.2**	**13,282.6**	**350.9**	**13,633.5**

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 30 June 2026

			Non-distributable				Distributable			
In RM million	Share capital	Treasury shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Other reserves	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
Group										
As at 1 July 2024	791.1	(309.8)	7.7	95.6	17.6	(5.3)	11,081.7	11,678.6	331.1	12,009.7
Profit for the financial year	-	-	-	-	-	-	1,520.6	1,520.6	15.8	1,536.4
Re-measurements of the defined benefit obligations	-	-	-	-	-	-	(0.8)	(0.8)	-	(0.8)
Exchange differences on translation of foreign operations	-	-	-	(251.8)	-	-	-	(251.8)	-	(251.8)
Share of other comprehensive loss of associates	-	-	-	(26.0)	-	(2.9)	(0.7)	(29.6)	-	(29.6)
Hedge of interest rate risk on issuance of Guaranteed Notes due 2031	-	-	-	-	(2.6)	-	-	(2.6)	-	(2.6)
Total comprehensive (loss)/income	-	-	-	(277.8)	(2.6)	(2.9)	1,519.1	1,235.8	15.8	1,251.6
Transactions with owners										
Dividends paid (Note 13)	-	-	-	-	-	-	(620.4)	(620.4)	-	(620.4)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(8.1)	(8.1)
As at 30 June 2025	791.1	(309.8)	7.7	(182.2)	15.0	(8.2)	11,980.4	12,294.0	338.8	12,632.8

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 30 June 2026

			Distributable	
In RM million	Share capital	Treasury shares	Retained earnings	Total equity
Company				
As at 1 July 2025	**791.1**	**(309.8)**	**7,103.8**	**7,585.1**
Profit for the financial year	**-**	**-**	**971.8**	**971.8**
Total comprehensive income	**-**	**-**	**971.8**	**971.8**
Transactions with owners				
Dividends paid (Note 13)	**-**	**-**	**(686.9)**	**(686.9)**
Net proceeds from sale of treasury shares of the Company	**23.8**	**309.8**	**-**	**333.6**
As at 30 June 2026	**814.9**	**-**	**7,388.7**	**8,203.6**
As at 1 July 2024	791.1	(309.8)	6,944.7	7,426.0
Profit for the financial year	-	-	779.5	779.5
Total comprehensive income	-	-	779.5	779.5
Transactions with owners				
Dividends paid (Note 13)	-	-	(620.4)	(620.4)
As at 30 June 2025	791.1	(309.8)	7,103.8	7,585.1

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 30 June 2026

Statements of Cash Flows
For the Financial Year Ended 30 June 2026

In RM million	Note	Group 2026	Group 2025	Company 2026	Company 2025
Cash Flows From Operating Activities					
Profit before tax		**2,108.3**	1,877.5	**976.2**	802.8
Adjustments for:					
Depreciation of property, plant and equipment	14	**412.3**	396.0	**0.7**	0.8
Amortisation of intangible assets	15.2	**8.3**	8.6	**0.3**	0.2
Fair value gain on biological assets	24.2	**(28.7)**	(6.0)	**(0.2)**	-
Net fair value loss/(gain) on derivative financial instruments		**59.9**	(12.9)	**2.1**	4.9
Impairment losses on investments in subsidiaries	16.1	**-**	-	**3.4**	82.5
Reversal of impairment loss on investment in a joint venture	20.2	**(9.9)**	-	**(20.8)**	-
Impairment losses on property, plant and equipment	14	**-**	40.0	**-**	-
Net reversal of impairment losses on advances to subsidiaries	16.2	**-**	-	**(1.3)**	(71.3)
Reversal of impairment loss on advances to a joint venture	20.2	**-**	(5.4)	**-**	(5.4)
Overprovision of investment disposal costs		**(33.8)**	-	**(33.8)**	-
Property, plant and equipment written off	14	**13.4**	5.7	**3.2**	-
(Net reversal of inventories written down)/ inventories written down to net realisable value		**(22.7)**	31.5	**-**	-
Dividend income from associates		**-**	-	**(10.5)**	(3.0)
Dividend income from subsidiaries		**-**	-	**(934.1)**	(770.1)
Share of results of associates, net of tax		**(389.0)**	(348.0)	**-**	-
Interest income	8	**(27.5)**	(32.6)	**(27.3)**	(34.7)
Finance costs	9	**128.8**	139.8	**75.4**	92.1
Net foreign currency translation gain on foreign currency denominated borrowings	10	**(124.0)**	(278.5)	**(42.9)**	(88.7)
Net unrealised foreign currency translation (gain)/ loss		**(6.5)**	14.3	**(33.5)**	52.3
Others		**(7.4)**	1.5	**(0.4)**	(2.6)
Operating profit/(loss) before working capital changes		**2,081.5**	1,831.5	**(43.5)**	59.8
Increase in inventories		**(12.9)**	(227.8)	**-**	-
(Increase)/Decrease in receivables and other assets		**(61.3)**	(248.7)	**(0.9)**	1.1
(Decrease)/Increase in payables and other liabilities		**(65.8)**	28.2	**(10.0)**	2.3
Cash generated from/(used in) operations		**1,941.5**	1,383.2	**(54.4)**	63.2
Retirement benefits paid	31.1	**(4.1)**	(3.7)	**-**	-
Tax refunded		**73.6**	3.7	**0.8**	-
Tax paid		**(342.8)**	(340.1)	**(4.5)**	(4.1)
Net cash from/(used in) operating activities		**1,668.2**	1,043.1	**(58.1)**	59.1

In RM million	Note	Group 2026	Group 2025	Company 2026	Company 2025
Cash Flows From Investing Activities					
Dividends received from associates		**202.0**	124.9	**10.5**	3.0
Dividends received from subsidiaries		**-**	-	**934.1**	770.1
Dividends received from other investments		**1.8**	3.9	**-**	-
Interest received		**27.8**	32.7	**4.5**	5.4
Proceeds from disposal of property, plant and equipment		**10.3**	6.0	**-**	-
Return of capital contribution from other investment	36.6	**-**	9.0	**-**	-
Additions to property, plant and equipment	14	**(755.3)**	(685.8)	**(0.8)**	(1.7)
Additions to other investments		**(10.4)**	(29.3)	**-**	-
Additions to other assets		**(3.7)**	(5.4)	**(0.1)**	(0.4)
Additional investment in an associate		**(65.1)**	(87.0)	**(65.1)**	(87.0)
Additional investment in joint ventures		**(57.7)**	-	**(5.2)**	-
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	16.1	**(233.7)**	(40.0)	**-**	-
Repayment from a joint venture		**4.8**	4.8	**4.8**	4.8
Repayment from plasma receivables		**17.2**	29.1	**-**	-
(Advances to)/Repayment from subsidiaries		**-**	-	**(331.3)**	289.1
Subscriptions of ordinary shares of subsidiaries		**-**	-	**(5.7)**	(4.0)
Subscriptions of redeemable preference shares of subsidiaries		**-**	-	**(32.5)**	(37.5)
Redemptions of redeemable preference shares of a subsidiary		**-**	-	**10.0**	20.6
Net cash (used in)/from investing activities		**(862.0)**	(637.1)	**523.2**	962.4

The notes on pages 161 to 238 form an integral part of the financial statements.

The notes on pages 161 to 238 form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 30 June 2026

In RM million	Note	Group 2026	Group 2025	Company 2026	Company 2025
Cash Flows From Financing Activities					
Net proceeds from sale of treasury shares of the Company		**333.6**	-	**333.6**	-
Dividends paid	13	**(686.9)**	(620.4)	**(686.9)**	(620.4)
Dividends paid to non-controlling interests		**(15.5)**	(8.1)	**-**	-
Drawdown of long term Islamic revolving credit		**224.0**	88.6	**224.0**	88.6
Repayment of Islamic financing facilities		**(345.5)**	(136.9)	**(345.5)**	(136.9)
Repayment of term loans		**(76.5)**	(4.7)	**-**	-
Net drawdown/(repayments) of short-term borrowings		**174.8**	(149.5)	**(7.2)**	(255.3)
Net settlements of hedging instruments arising from repayments of borrowings		**(4.4)**	(20.7)	**(4.4)**	(20.7)
Payments of lease liabilities	30.2	**(14.3)**	(15.8)	**-**	-
Finance costs paid		**(127.2)**	(137.2)	**(33.4)**	(46.5)
Net cash used in financing activities		**(537.9)**	(1,004.7)	**(519.8)**	(991.2)
Net increase/(decrease) in cash and cash equivalents		**268.3**	(598.7)	**(54.7)**	30.3
Cash and cash equivalents at beginning of financial year		**1,578.4**	2,181.7	**214.4**	182.0
Effects of exchange rate changes		**(3.1)**	(4.6)	**(0.4)**	2.1
Cash and cash equivalents at end of financial year	25	**1,843.6**	1,578.4	**159.3**	214.4

The notes on pages 161 to 238 form an integral part of the financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

Both the registered office and principal place of business of the Company are located at Level 29, IOI City Tower 2, Lebuh IRC, IOI Resort City, 62502 Putrajaya, Wilayah Persekutuan (Putrajaya), Malaysia.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries, associates and joint ventures are primarily involved in investment holding; oil palm cultivation and processing; commodities trading and refinery; manufacture and sales of fatty acids, soap noodles, glycerine and other oleochemical related products; manufacture and sale of plasticizer products, margarine, shortening and fat spreads; processing of oil palm trunks and other bio-matter derived from plantations to produce materials used in furniture, construction and building industries; processing of crude coconut oil; production and supply of palm-based renewable energy; as well as provision of management services and other related business activities. The principal activities and the details of the subsidiaries, associates and joint ventures are set out in Note 38 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The ultimate holding company is Progressive Holdings Sdn Bhd, which is incorporated in Malaysia.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and all financial information presented in RM are rounded to the nearest million, except where otherwise stated.

3. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

3.1 Amendment to MFRSs adopted during the current financial year

Title
Amendments to MFRS 121 *Lack of Exchangeability*

There is no material impact upon adoption of the above Amendment to MFRSs during the financial year.

3. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (Continued)

3.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
MFRS 20 *Regulatory Assets and Regulatory Liabilities*	1 January 2029
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to MFRS 128 *Investments in Associates and Joint Ventures*)	Applicable when an entity first applies MFRS 18
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of the adoption of these Standards and Amendments to MFRSs since the effects would only be observable in future financial years.

4. SEGMENTAL INFORMATION

The Group has two (2) reportable operating segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Plantation	Cultivation of oil palm, rubber, coconut and other cash crops, and processing of palm oil
Resource-based manufacturing	Manufacturing of oleochemical and specialty oils and fats, refining of palm oil, crushing of palm kernel, and processing of oil palm trunks
Other operations	Other operations, which are not sizable to be reported separately

The Group's senior management team monitors the performance and results of its operating business units separately for the purpose of making decisions about resource allocation and regular assessment of performance in achieving the strategic priorities. Segment performance is assessed based on operating profit or loss, in certain respects as reported in the table below, is measured differently from the operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities, loans and borrowings that are managed under centralised treasury function.

Details are provided in the reconciliations from segment assets and segment liabilities to the Group position.

4. SEGMENTAL INFORMATION (Continued)

		Resource-based manufacturing ("RBM")						
In RM million	Plantation	Refinery	Oleochemical	Others	Total RBM	Other operations	Elimination	Total
Group								
2026								
Revenue								
External sales	**603.9**	**6,742.4**	**4,417.1**	**0.7**	**11,160.2**	**15.0**	**-**	**11,779.1**
Inter-segment sales	**2,666.5**	**-**	**-**	**-**	**-**	**-**	**(2,666.5)**	**-**
Total revenue	**3,270.4**	**6,742.4**	**4,417.1**	**0.7**	**11,160.2**	**15.0**	**(2,666.5)**	**11,779.1**
Result								
Operating profit/(loss)	**1,416.4**	**147.1**	**146.0**	**(13.8)**	**279.3**	**(4.1)**	**-**	**1,691.6**
Share of results of associates	**264.6**	**-**	**0.6**	**123.8**	**124.4**	**-**	**-**	**389.0**
Share of results of joint ventures	**-**	**-**	**-**	**3.2**	**3.2**	**-**	**-**	**3.2**
Segment results before fair value adjustments	**1,681.0**	**147.1**	**146.6**	**113.2**	**406.9**	**(4.1)**	**-**	**2,083.8**
Net fair value gain/(loss) on:								
Biological assets	**28.7**	**-**	**-**	**-**	**-**	**-**	**-**	**28.7**
Derivative financial instruments	**0.7**	**(41.7)**	**(16.8)**	**-**	**(58.5)**	**-**	**-**	**(57.8)**
Segment results	**1,710.4**	**105.4**	**129.8**	**113.2**	**348.4**	**(4.1)**	**-**	**2,054.7**
Assets								
Operating assets	**9,876.5**	**1,562.3**	**2,721.7**	**97.4**	**4,381.4**	**182.6**	**-**	**14,440.5**
Interests in associates	**1,350.8**	**-**	**287.1**	**1,647.9**	**1,935.0**	**-**	**-**	**3,285.8**
Interest in joint ventures	**-**	**-**	**-**	**90.2**	**90.2**	**-**	**-**	**90.2**
Segment assets	**11,227.3**	**1,562.3**	**3,008.8**	**1,835.5**	**6,406.6**	**182.6**	**-**	**17,816.5**
Liabilities								
Segment liabilities	**311.4**	**182.9**	**327.4**	**8.1**	**518.4**	**50.2**	**-**	**880.0**
Other Information								
Capital expenditure	**620.4**	**7.5**	**115.2**	**0.2**	**122.9**	**15.7**	**-**	**759.0**
Depreciation and amortisation	**299.4**	**16.0**	**92.4**	**3.9**	**112.3**	**8.2**	**-**	**419.9**
Non-cash items other than depreciation and amortisation	**11.6**	**57.6**	**32.9**	**-**	**90.5**	**9.4**	**-**	**111.5**

Included in the resource-based manufacturing segment is an amount of revenue from a major customer during the financial year amounting to RM2,014.5 million (2025 – RM1,902.8 million).

4. SEGMENTAL INFORMATION (Continued)

In RM million	Plantation	Resource-based manufacturing: Refinery	Oleochemical	Others	Total RBM	Other operations	Elimination	Total
Group								
2025								
Revenue								
External sales	481.6	6,489.2	4,344.1	0.4	10,833.7	19.4	-	11,334.7
Inter-segment sales	2,595.8	-	-	-	-	-	(2,595.8)	-
Total revenue	3,077.4	6,489.2	4,344.1	0.4	10,833.7	19.4	(2,595.8)	11,334.7
Result								
Operating profit/(loss)	1,328.9	2.6	55.6	(57.4)	0.8	2.1	-	1,331.8
Share of results of associates	242.3	-	3.2	102.5	105.7	-	-	348.0
Share of results of joint ventures	-	-	-	3.4	3.4	-	-	3.4
Segment results before fair value adjustments	1,571.2	2.6	58.8	48.5	109.9	2.1	-	1,683.2
Net fair value gain/(loss) on:								
Biological assets	6.0	-	-	-	-	-	-	6.0
Derivative financial instruments	(0.7)	8.9	9.6	-	18.5	-	-	17.8
Segment results	1,576.5	11.5	68.4	48.5	128.4	2.1	-	1,707.0
Assets								
Operating assets	9,071.2	1,644.9	2,445.9	106.4	4,197.2	243.6	-	13,512.0
Interests in associates	1,415.1	-	312.4	1,518.3	1,830.7	-	-	3,245.8
Interest in joint ventures	-	-	-	15.0	15.0	-	-	15.0
Segment assets	10,486.3	1,644.9	2,758.3	1,639.7	6,042.9	243.6	-	16,772.8
Liabilities								
Segment liabilities	334.1	183.6	315.6	10.2	509.4	29.0	-	872.5
Other Information								
Capital expenditure	568.2	6.7	97.8	10.8	115.3	7.7	-	691.2
Depreciation and amortisation	285.7	16.2	87.8	6.4	110.4	8.5	-	404.6
Impairment losses on property, plant and equipment	0.8	-	-	39.2	39.2	-	-	40.0
Non-cash items other than depreciation and amortisation	9.8	(11.6)	(5.0)	39.3	22.7	60.3	-	92.8

4. SEGMENTAL INFORMATION (Continued)

Reconciliation of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts is as follows:

In RM million	Group 2026	Group 2025
Profit or loss		
Segment results	**2,054.7**	1,707.0
Unallocated corporate net income/(expense)	**44.3**	(6.4)
Profit before interest and tax	**2,099.0**	1,700.6
Interest income	**27.5**	32.6
Finance costs	**(128.8)**	(139.8)
Net foreign currency translation gain on foreign currency denominated borrowings	**124.0**	278.5
Net foreign currency translation (loss)/gain on foreign currency denominated deposits	**(13.4)**	5.6
Profit before tax	**2,108.3**	1,877.5
Tax expense	**(398.7)**	(341.1)
Profit for the financial year	**1,709.6**	1,536.4
Assets		
Segment assets	**17,816.5**	16,772.8
Unallocated corporate assets	**1,298.6**	1,357.9
Total assets	**19,115.1**	18,130.7
Liabilities		
Segment liabilities	**880.0**	872.5
Unallocated corporate liabilities	**4,601.6**	4,625.4
Total liabilities	**5,481.6**	5,497.9

Geographical Segments

In RM million	Malaysia	Europe	North America	Asia	Others	Consolidated
Group						
2026						
Revenue from external customers by location of customers	**3,111.3**	**1,575.4**	**549.8**	**5,881.9**	**660.7**	**11,779.1**
Segment non-current assets by location of assets *	**9,066.7**	**1,818.3**	**1.1**	**3,013.4**	**-**	**13,899.5**
Capital expenditure by location of assets	**662.4**	**28.9**	**-**	**67.7**	**-**	**759.0**
2025						
Revenue from external customers by location of customers	3,214.3	1,951.4	236.5	5,449.8	482.7	11,334.7
Segment non-current assets by location of assets *	8,438.0	1,686.1	1.1	3,021.0	-	13,146.2
Capital expenditure by location of assets	587.4	27.5	-	76.3	-	691.2

* *The amounts of non-current assets do not include financial instruments and deferred tax assets.*

5. REVENUE

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Revenue from contracts with customers				
Commodities, other products and services:				
- Sales of plantation produce and related products	**603.9**	481.6	**6.2**	6.6
- Resource-based manufacturing	**11,160.2**	10,833.7	**-**	-
Management fees and advisory fees	**4.8**	5.8	**25.9**	22.6
	11,768.9	11,321.1	**32.1**	29.2
Other revenue				
Dividend income	**1.8**	3.9	**944.6**	773.1
Others	**8.4**	9.7	**-**	-
	10.2	13.6	**944.6**	773.1
Total Revenue	**11,779.1**	11,334.7	**976.7**	802.3

Disaggregation of revenue from contracts with customers is set out in Note 4 to the financial statements, which is presented based on geographical location from which the sales transactions originated. No revenue is recognised over time other than management fees and advisory fees.

5.1 Commodities, other products and services

Revenue is recognised at a point in time upon delivery of products and customer acceptance, if any, or performance of services, net of discounts.

There is no material right of return and warranty provided to the customers.

There is no significant financing component in the revenue as the revenue is made on the normal credit terms not exceeding twelve (12) months.

5.2 Management fees and advisory fees

Management fees and advisory fees are recognised over time when customers simultaneously receive and consume the benefits.

5.3 Dividend income

Dividend income is recognised when a shareholder's right to receive payment is established.

6. OTHER OPERATING INCOME

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Fair value gain on derivative financial instruments	**19.8**	34.0	**-**	0.1
Fair value gain on other investments	**3.2**	7.0	**0.2**	-
Fair value gain on short term funds	**24.8**	31.9	**-**	-
Foreign currency translation gain				
- Realised	**97.4**	72.0	**1.6**	109.0
- Unrealised	**14.2**	17.5	**36.3**	94.3
Gain on disposal of property, plant and equipment	**7.7**	5.4	**-**	-
Net gain arising from changes in fair value of biological assets	**28.7**	6.0	**0.2**	-
Realised fair value gain on derivative financial instruments	**0.3**	9.3	**-**	-
Reversal of impairment loss on investment in a joint venture	**9.9**	-	**20.8**	-
Reversal of impairment losses on advances to subsidiaries (Note 16.2)	**-**	-	**1.7**	71.3
Overprovision of investment disposal costs	**33.8**	-	**33.8**	-
Rental income	**13.1**	11.0	**-**	-
Others	**52.0**	51.2	**1.2**	6.9
	304.9	245.3	**95.8**	281.6

7. OTHER OPERATING EXPENSES

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Depreciation of property, plant and equipment	**188.4**	183.6	**0.5**	0.6
Fair value loss on derivative financial instruments	**79.7**	21.1	**2.1**	5.0
Fair value loss on other investments	**1.2**	12.5	**-**	0.4
Fair value loss on short term funds	**1.8**	10.8	**-**	-
Foreign currency translation loss				
- Realised	**48.6**	41.7	**12.1**	36.9
- Unrealised	**7.7**	31.8	**2.8**	146.6
Impairment losses on property, plant and equipment	**-**	40.0	**-**	-
Impairment losses on investments in subsidiaries (Note 16.1)	**-**	-	**3.4**	82.5
Loss on disposal of property, plant and equipment	**0.5**	-	**-**	-
Property, plant and equipment written off	**13.4**	5.7	**3.2**	-
Realised fair value loss on derivative financial instruments	**30.9**	0.6	**0.9**	0.6
Repair and maintenance	**67.3**	63.3	**-**	-
Research and development expenses	**8.4**	8.4	**-**	-
Rental expenses	**6.9**	7.3	**-**	-
Others	**40.2**	38.7	**15.1**	12.7
	495.0	465.5	**40.1**	285.3

8. INTEREST INCOME

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Short term funds	**2.5**	5.5	**-**	-
Short term deposits	**23.8**	24.2	**3.8**	4.8
Subsidiaries	**-**	-	**23.1**	29.4
Others	**1.2**	2.9	**0.4**	0.5
	27.5	32.6	**27.3**	34.7

Interest income is recognised in profit or loss as it accrues, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

9. FINANCE COSTS

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Interest expense				
Term loans	**36.9**	39.8	**-**	-
Notes	**41.3**	44.7	**-**	-
Short term loans	**16.9**	15.8	**2.0**	8.6
Lease liabilities (Note 30.2)	**2.9**	3.3	**-**	-
Subsidiaries	**-**	-	**42.0**	46.3
Others	**1.9**	1.6	**-**	-
	99.9	105.2	**44.0**	54.9
Profit payment on Islamic financing	**31.4**	37.2	**31.4**	37.2
Total finance costs	**131.3**	142.4	**75.4**	92.1
Less: Interest capitalised (Note 14)	**(0.1)**	-	**-**	-
Hedging reserve reclassified to profit or loss (Note 28.3)	**(2.4)**	(2.6)	**-**	-
	(2.5)	(2.6)	**-**	-
Net finance costs	**128.8**	139.8	**75.4**	92.1

10. PROFIT BEFORE TAX

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
a) Other than those disclosed in Notes 6 and 7 to the financial statements, profit before tax has been arrived at after charging:				
Depreciation of property, plant and equipment	**412.3**	396.0	**0.7**	0.8
Amortisation of intangible assets	**8.3**	8.6	**0.3**	0.2
Auditors' remuneration				
BDO PLT and affiliates				
Statutory audit	**1.4**	1.3	**0.2**	0.2
Non-statutory audit				
- tax compliance and advisory services	**0.4**	0.4	**-**	-
Member firms of BDO International				
Statutory audit	**0.3**	0.3	**-**	-
Non-statutory audit				
- tax compliance and advisory services	**0.1**	-	**-**	-
Other auditors				
Statutory audit	**1.0**	0.9	**-**	-
Inventories written down to net realisable value	**1.7**	31.6	**-**	-
Net foreign currency translation loss on foreign currency denominated deposits	**13.4**	-	**13.5**	-
and crediting:				
Dividends received from:				
- other quoted and unquoted investments in Malaysia	**1.8**	3.9	**-**	-
- unquoted subsidiaries	**-**	-	**934.1**	770.1
Net foreign currency translation gain on foreign currency denominated borrowings	**124.0**	278.5	**42.9**	88.7
Net foreign currency translation gain on foreign currency denominated deposits	**-**	5.6	**-**	5.7
Rental income from:				
- investment properties	**1.4**	3.3	**-**	-
- others	**20.2**	17.5	**-**	-
Reversal of inventories written down to net realisable value	**24.4**	0.1	**-**	-

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

Cost of inventories of the Group recognised as an expense during the financial year amounted to RM6,711.8 million (2025 – RM6,671.6 million).

10. PROFIT BEFORE TAX (Continued)

The Group and the Company do not present the net reversal of impairment losses/(impairment losses) on financial instruments determined in accordance with MFRS 9 separately in the statements of profit or loss, as the amounts are not material to the Group.

b) Employee information

The employee benefits cost is as follows:

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Wages, salaries and others	**1,155.2**	1,099.8	**25.2**	21.8
Post-employment benefits	**47.4**	39.1	**2.7**	2.4
Retirement benefits expenses (Note 31.1)	**5.6**	4.3	**-**	-
	1,208.2	1,143.2	**27.9**	24.2

11. TAX EXPENSE

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Current year				
Malaysian income tax	**340.0**	311.1	**4.8**	4.6
Foreign tax	**13.8**	12.9	**-**	-
Deferred tax	**41.6**	17.7	**(0.4)**	18.7
	395.4	341.7	**4.4**	23.3
Prior years				
Malaysian income tax	**(0.7)**	(1.1)	**-**	-
Foreign tax	**3.0**	(0.1)	**-**	-
Deferred tax	**1.0**	0.6	**-**	-
	3.3	(0.6)	**-**	-
	398.7	341.1	**4.4**	23.3

11. TAX EXPENSE (Continued)

A numerical reconciliation between average effective tax rate and applicable tax rate of the Group and of the Company is as follows:

	Group		Company	
%	**2026**	**2025**	**2026**	**2025**
Applicable tax rate	**24.00**	24.00	**24.00**	24.00
Tax effects in respect of:				
Non-allowable expenses	**2.69**	3.60	**3.40**	11.15
Non-taxable income	**(3.17)**	(5.05)	**(3.69)**	(9.26)
Tax exempt income	**(0.02)**	(0.05)	**(23.23)**	(23.11)
Tax incentives and allowances	**(0.13)**	(0.11)	**-**	-
Different tax rates in foreign jurisdiction	**-**	0.14	**-**	-
Share of post-tax results of associates	**(4.43)**	(4.45)	**-**	-
Share of post-tax results of joint ventures	**(0.04)**	(0.04)	**-**	-
Other items	**(0.15)**	0.16	**(0.02)**	0.13
	18.75	18.20	**0.46**	2.91
Under/(Over) provision in prior years	**0.16**	(0.03)	**(0.01)**	-
	18.91	18.17	**0.45**	2.91

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes on foreign dividend and interest income, real property gains taxes and capital gains taxes, if any.

Malaysian income tax is calculated at the statutory rate of 24% (2025 – 24%) of the estimated chargeable income for the year. Deferred tax is calculated on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Other tax expenses for other tax authorities are calculated at the tax rates prevailing in the respective jurisdictions.

Subject to agreement with the tax authorities, certain subsidiaries of the Group have unutilised tax losses and unabsorbed capital allowances of approximately RM229.7 million (2025 – RM217.7 million), for which the related tax effects have not been recognised in the financial statements. These items are available to be carried forward for set off against future chargeable income when these subsidiaries derive future assessable income of a nature and amount sufficient for the tax losses to be utilised.

12. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The basic earnings per ordinary share of the Group is calculated based on the profit for the financial year attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the financial year, after taking into consideration of treasury shares held by the Company.

	Group	
	2026	**2025**
In RM million		
Profit for the financial year attributable to owners of the parent	**1,682.0**	1,520.6
In million		
Weighted average number of ordinary shares in issue	**6,255.2**	6,203.7
In sen		
Basic earnings per ordinary share	**26.89**	24.51

Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Group is calculated based on the profit for the financial year attributable to owners of the parent divided by the adjusted weighted average number of ordinary shares after taking into consideration all potential dilutive ordinary shares.

There is no dilution in earnings per ordinary share as there are no dilutive potential ordinary shares.

13. DIVIDENDS

	Group and Company	
In RM million	**2026**	**2025**
First interim single tier dividend in respect of financial year ended 30 June 2026 declared and paid of 5.5 sen per ordinary share	**345.7**	-
Second interim single tier dividend in respect of financial year ended 30 June 2025 declared and paid of 5.5 sen per ordinary share	**341.2**	-
First interim single tier dividend in respect of financial year ended 30 June 2025 declared and paid of 5.0 sen per ordinary share	**-**	310.2
Second interim single tier dividend in respect of financial year ended 30 June 2024 declared and paid of 5.0 sen per ordinary share	**-**	310.2
	686.9	620.4

On 28 August 2026, the Board of Directors declared a second interim single tier dividend of 7.0 sen per ordinary share, amounting to RM440.0 million in respect of the financial year ended 30 June 2026. The dividend is payable on 25 September 2026 to shareholders whose names appear in the Record of Depositors and Register of Members of the Company at the close of business on 15 September 2026.

No final dividend has been recommended by the Board of Directors for the financial year ended 30 June 2026.

14. PROPERTY, PLANT AND EQUIPMENT

In RM million	Freehold land	Leasehold land	Land use rights	Bearer plants	Buildings and improvements	Plant and machinery	Construction in progress	Other property, plant and equipment	Total
Group									
2026									
Carrying amount									
At beginning of financial year	**1,869.8**	**3,266.4**	**41.0**	**2,041.1**	**640.2**	**1,015.6**	**223.0**	**335.5**	**9,432.6**
Additions	**-**	**9.5**	**0.2**	**329.9**	**36.7**	**120.9**	**215.0**	**54.6**	**766.8**
Acquisition of subsidiaries (Note 16.1 (ii) & (iii))	**-**	**309.0**	**-**	**21.7**	**0.1**	**-**	**-**	**7.7**	**338.5**
Depreciation charge	**-**	**(56.0)**	**(1.2)**	**(100.7)**	**(50.8)**	**(156.5)**	**-**	**(47.1)**	**(412.3)**
Disposals	**(1.7)**	**-**	**-**	**(0.3)**	**-**	**(0.7)**	**-**	**(0.4)**	**(3.1)**
Foreign currency translation differences	**(0.7)**	**(0.9)**	**(5.2)**	**(35.3)**	**(10.6)**	**(14.6)**	**(9.9)**	**(4.6)**	**(81.8)**
Write-offs	**-**	**-**	**-**	**(11.7)**	**(0.9)**	**(0.5)**	**-**	**(0.3)**	**(13.4)**
Reclassifications	**(9.1)**	**14.5**	**-**	**-**	**56.9**	**97.2**	**(201.7)**	**58.4**	**16.2**
Reassessments and modifications of leases	**-**	**-**	**-**	**-**	**0.1**	**-**	**-**	**-**	**0.1**
At end of financial year	**1,858.3**	**3,542.5**	**34.8**	**2,244.7**	**671.7**	**1,061.4**	**226.4**	**403.8**	**10,043.6**
Cost	**1,858.3**	**4,206.6**	**40.1**	**3,335.1**	**1,498.5**	**3,569.0**	**226.4**	**885.5**	**15,619.5**
Accumulated depreciation	**-**	**(660.9)**	**(5.3)**	**(1,070.9)**	**(824.8)**	**(2,468.3)**	**-**	**(480.8)**	**(5,511.0)**
Accumulated impairment losses	**-**	**(3.2)**	**-**	**(19.5)**	**(2.0)**	**(39.3)**	**-**	**(0.9)**	**(64.9)**
Carrying amount	**1,858.3**	**3,542.5**	**34.8**	**2,244.7**	**671.7**	**1,061.4**	**226.4**	**403.8**	**10,043.6**
2025									
Carrying amount									
At beginning of financial year	1,860.8	3,290.4	46.8	1,892.5	581.9	1,011.8	237.9	307.0	9,229.1
Additions	9.2	2.5	-	283.4	51.2	119.5	185.9	36.3	688.0
Acquisition of a subsidiary	-	44.7	-	-	0.4	-	-	-	45.1
Depreciation charge	-	(54.2)	(1.4)	(100.4)	(48.6)	(152.3)	-	(39.1)	(396.0)
Disposals	-	-	-	-	(0.1)	(0.5)	-	-	(0.6)
Foreign currency translation differences	(0.2)	(0.1)	(4.4)	(30.2)	(4.8)	(7.5)	(8.8)	(3.1)	(59.1)
Impairment losses	-	-	-	(0.8)	-	(39.2)	-	-	(40.0)
Write-offs	-	-	-	(3.4)	(0.4)	(1.9)	-	-	(5.7)
Reclassifications	-	(14.5)	-	-	60.4	86.4	(192.0)	34.4	(25.3)
Reassessments and modifications of leases	-	(2.4)	-	-	0.2	(0.7)	-	-	(2.9)
At end of financial year	1,869.8	3,266.4	41.0	2,041.1	640.2	1,015.6	223.0	335.5	9,432.6
Cost	1,869.8	3,873.8	45.7	3,198.0	1,419.5	3,384.9	223.0	775.7	14,790.4
Accumulated depreciation	-	(604.2)	(4.7)	(1,137.4)	(777.3)	(2,330.0)	-	(439.3)	(5,292.9)
Accumulated impairment losses	-	(3.2)	-	(19.5)	(2.0)	(39.3)	-	(0.9)	(64.9)
Carrying amount	1,869.8	3,266.4	41.0	2,041.1	640.2	1,015.6	223.0	335.5	9,432.6

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company

In RM million	Freehold land	Bearer plants	Other property, plant and equipment	Total
2026				
Carrying amount				
At beginning of financial year	**71.9**	**11.6**	**0.6**	**84.1**
Additions	**-**	**0.8**	**-**	**0.8**
Depreciation charge	**-**	**(0.5)**	**(0.2)**	**(0.7)**
Write-offs	**-**	**(3.2)**	**-**	**(3.2)**
At end of financial year	**71.9**	**8.7**	**0.4**	**81.0**
Cost	**71.9**	**11.0**	**2.5**	**85.4**
Accumulated depreciation	**-**	**(2.3)**	**(2.1)**	**(4.4)**
Carrying amount	**71.9**	**8.7**	**0.4**	**81.0**
2025				
Carrying amount				
At beginning of financial year	71.9	10.9	0.4	83.2
Additions	-	1.2	0.5	1.7
Depreciation charge	-	(0.5)	(0.3)	(0.8)
At end of financial year	71.9	11.6	0.6	84.1
Cost	71.9	15.6	2.5	90.0
Accumulated depreciation	-	(4.0)	(1.9)	(5.9)
Carrying amount	71.9	11.6	0.6	84.1

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Included in the Group's property, plant and equipment are right-of-use assets as follows:

In RM million	Leasehold land	Land use rights	Buildings and improvements	Plant and machinery	Total
Group					
2026					
Carrying amount					
At beginning of financial year	**3,266.4**	**41.0**	**6.7**	**8.9**	**3,323.0**
Additions	**9.5**	**0.2**	**4.1**	**0.1**	**13.9**
Acquisition of subsidiaries	**309.0**	**-**	**-**	**-**	**309.0**
Depreciation charge	**(56.0)**	**(1.2)**	**(4.8)**	**(5.1)**	**(67.1)**
Foreign currency translation differences	**(0.9)**	**(5.2)**	**(0.1)**	**-**	**(6.2)**
Reclassifications	**14.5**	**-**	**-**	**-**	**14.5**
Reassessments and modifications of leases	**-**	**-**	**0.1**	**-**	**0.1**
At end of financial year	**3,542.5**	**34.8**	**6.0**	**3.9**	**3,587.2**
Cost	**4,206.6**	**40.1**	**34.0**	**22.9**	**4,303.6**
Accumulated depreciation	**(660.9)**	**(5.3)**	**(28.0)**	**(19.0)**	**(713.2)**
Accumulated impairment losses	**(3.2)**	**-**	**-**	**-**	**(3.2)**
Carrying amount	**3,542.5**	**34.8**	**6.0**	**3.9**	**3,587.2**
2025					
Carrying amount					
At beginning of financial year	3,290.4	46.8	11.3	14.0	3,362.5
Additions	2.5	-	0.1	2.1	4.7
Acquisition of a subsidiary	44.7	-	-	-	44.7
Depreciation charge	(54.2)	(1.4)	(4.6)	(6.5)	(66.7)
Foreign currency translation differences	(0.1)	(4.4)	(0.3)	-	(4.8)
Reclassifications	(14.5)	-	-	-	(14.5)
Reassessments and modifications of leases	(2.4)	-	0.2	(0.7)	(2.9)
At end of financial year	3,266.4	41.0	6.7	8.9	3,323.0
Cost	3,873.8	45.7	31.3	28.3	3,979.1
Accumulated depreciation	(604.2)	(4.7)	(24.6)	(19.4)	(652.9)
Accumulated impairment losses	(3.2)	-	-	-	(3.2)
Carrying amount	3,266.4	41.0	6.7	8.9	3,323.0

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Leasehold land for which the Group has land titles as at financial year end amounted to RM3,539.5 million (2025 – RM3,265.5 million).

Included in the Group's bearer plants was an amount of interest expense capitalised amounting to RM0.1 million in the current financial year and interest was capitalised at 5.92% per annum.

Management assessed whether there were any indicators of impairment of property, plant and equipment during the financial year. In doing this management considered the current environment and performance of the Cash-generating Unit ("CGU"). Management considered the losses in certain subsidiaries in the current financial year as impairment indicators.

In the previous financial year, an impairment losses on property, plant and equipment amounting to RM40.0 million had been recognised in statement of profit or loss under other operating expenses due to the recoverable amounts of the property, plant and equipment in certain CGUs, which determined based on value-in-use approach, was lower than the carrying amounts.

IOI Palm Wood Sdn Bhd ("IOI Palm Wood")

As at 30 June 2026, the carrying amount of property, plant and equipment of IOI Palm Wood amounted to RM85.7 million. During the financial year, management continued to monitor the performance of IOI Palm Wood. The value-in-use approach was based on cash flow forecasts derived from management's latest approved business plans covering the estimated remaining economic useful life of the assets. Key assumptions applied in the assessment included forecast revenue growth, expected profit margins and the pre-tax discount rate. While the subsidiary remains in the development and commercialisation phase, management recognised that the long-term strategic initiatives and operational improvement plans remain in progress. Based on assessment performed, the recoverable amount of the property, plant and equipment supports its carrying amount. Accordingly, no additional impairment loss was recognised during the financial year.

In the previous financial year, a substantial amount of the impairment loss on property, plant and equipment was from IOI Palm Wood. The indication of impairment was determined by considering both internal and external factors including low sales performance affecting profitability, market demand and underperformance of certain assets used in the production processes to generate future economic benefits. As a result, the recoverable amount of the CGU was lower than the carrying amount of the CGU. Based on assessment performed, an impairment loss of RM39.2 million was recognised in the previous financial year, and the carrying amount of the CGU was reduced to their recoverable amount of RM89.4 million as at 30 June 2025.

Capital expenditure for climate change mitigation

In line with the Group's commitment to sustainability, the Group has progressively undertaken various sustainability initiatives and investments within its operations. The investments in biogas plants and biogas engine focuses on harnessing waste to produce renewable energy. The biogas plant captures methane from decomposing material i.e. the palm oil mill effluents ("POME") and reduces greenhouse gas emission. The biogas engine further converts the methane captured to renewable energy sources, offering a sustainable energy solution for our mills and estate facilities. The Group has also undertaken investments in biomass and cogeneration plants, heat recovery projects, energy efficient equipment, water stewardship programmes to mitigate water risk such as installation of anti-flood bunds, rainwater harvesting system, wastewater recycling system, and installation of solar panels on the rooftops of its main offices and canteen to reduce the dependency on fossil fuels at its oleochemical and refinery complexes.

In addition, the Group's non-CPO subsidiary, its palm wood manufacturing plant, contributes to sustainable innovation by converting oil palm trunks ("OPT"), a biomass of the plantation sector, into eco-friendly, sustainable non-tropical wood panels. Oil palm replantation generally occurs every twenty-five (25) years, during which felled OPT is left to decompose naturally in the plantations to enrich the soil. By repurposing the OPT, the Group promotes circular resource utilisation and supports carbon capture efforts, helping to mitigate the adverse impacts of climate change.

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Capital expenditure for climate change mitigation (Continued)

As at 30 June 2026, the Group incurred a total capital expenditure of RM421.2 million (2025 – RM386.0 million) for climate change mitigation. The breakdown of the costs is as follows:

	Group	
In RM million	**2026**	**2025**
At cost		
Plant and machinery	**355.8**	326.0
Buildings and improvements	**52.0**	50.5
Other property, plant and equipment	**13.4**	9.5
Total capital expenditure	**421.2**	386.0

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Additions to property, plant and equipment	**766.8**	688.0	**0.8**	1.7
Interest capitalised (Note 9)	**(0.1)**	-	**-**	-
Additions via lease liabilities (Note 30.2)	**(7.2)**	(2.2)	**-**	-
Additions via finance lease obligation (Note 29.4)	**(4.2)**	-	**-**	-
Cash payments on purchase of property, plant and equipment	**755.3**	685.8	**0.8**	1.7

14.1 Property, plant and equipment excluding right-of-use assets

All items of property, plant and equipment excluding right-of-use assets are initially measured at cost.

After initial recognition, property, plant and equipment excluding right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over their remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when they are available for use.

Freehold land has an unlimited useful life and therefore is not depreciated.

Construction in progress is not depreciated until such time when the asset is available for use.

Other property, plant and equipment are depreciated on the straight-line basis so as to write-off the cost of the assets over their estimated useful lives. The principal depreciation annual rates are as follows:

Buildings and improvements	2% to 10%
Plant and machinery	4% to 20%
Other property, plant and equipment	4% to 33%

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

14.2 Right-of-use assets under property, plant and equipment

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease terms. The principal depreciation periods are as follows:

Leasehold land	over the lease periods from 4 to 99 years
Land use rights	over the lease periods of up to 35 years
Buildings and improvements	over the lease periods from 2 to 10 years
Plant and machinery	over the lease periods from 2 to 5 years

15. INTANGIBLE ASSETS

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Goodwill (Note 15.1)	**361.4**	339.6	**-**	-
Other intangible assets (Note 15.2)	**60.8**	66.5	**0.5**	0.7
	422.2	406.1	**0.5**	0.7

15.1 Goodwill

	Group	
In RM million	**2026**	**2025**
At cost		
At beginning of financial year	**341.6**	337.5
Acquisition of subsidiaries (Note 16.1)	**20.8**	5.4
Reclassified from/(to) assets held for sale (Note 26)	**1.2**	(1.2)
Foreign currency translation differences	**(0.2)**	(0.1)
	363.4	341.6
Less: Impairment losses	**(2.0)**	(2.0)
	361.4	339.6

The goodwill recognised represents the residual amount arising from the acquisition after allocating the purchase consideration to the identifiable assets acquired and liabilities assumed at fair value.

15. INTANGIBLE ASSETS (Continued)

15.1 Goodwill (Continued)

For the purpose of impairment testing, goodwill is allocated to the Group's CGUs identified according to the operating segments as follows:

	Group	
In RM million	**2026**	**2025**
Plantation	**152.7**	130.7
Resource-based manufacturing	**208.7**	208.9
	361.4	339.6

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use approach, which requires significant judgements, estimates about the future results and key assumptions made by the management. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGUs based on the following assumptions:

i. Cash flows are projected based on the management's most recent five-year business plan with terminal value for all companies with the exception of plantation companies. For plantation companies, cash flows are projected based on the average life cycle of oil palm trees.

ii. Discount rate used for cash flows discounting purpose is the Group's weighted average cost of capital adjusted for specific risks relating to the relevant segments. The average discount rate applied for cash flow projections is 7.58% (2025 – 8.40%).

iii. Growth rates for the plantation segment are determined based on the management's estimate of commodity prices, Fresh Fruit Bunches ("FFB") yields, oil extraction rates and also costs of production whilst growth rates of other segments are determined based on the industry trends and past performances of the segments. CPO price is based on average historical price in the previous financial years while FFB yields are based on the average yields achieved in the previous financial years throughout the life cycle of oil palm trees.

iv. Profit margins are projected based on the industry trends and historical profit margins achieved.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

15. INTANGIBLE ASSETS (Continued)

15.2 Other intangible assets

In RM million	Brand names	Computer software	Total
Group			
2026			
Carrying amount			
At beginning of financial year	**38.3**	**28.2**	**66.5**
Additions	**-**	**2.7**	**2.7**
Amortisation charge	**(1.7)**	**(6.6)**	**(8.3)**
Foreign currency translation differences	**-**	**(0.1)**	**(0.1)**
At end of financial year	**36.6**	**24.2**	**60.8**
Cost	**66.8**	**56.1**	**122.9**
Accumulated amortisation	**(30.2)**	**(31.9)**	**(62.1)**
Carrying amount	**36.6**	**24.2**	**60.8**
2025			
Carrying amount			
At beginning of financial year	40.0	36.3	76.3
Additions	-	4.4	4.4
Amortisation charge	(1.7)	(6.9)	(8.6)
Write-offs	-	(5.6)	(5.6)
At end of financial year	38.3	28.2	66.5
Cost	66.8	53.5	120.3
Accumulated amortisation	(28.5)	(25.3)	(53.8)
Carrying amount	38.3	28.2	66.5

Other intangible assets are initially measured at cost of acquisition.

After initial recognition, other intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Brand names

The costs of brand names recognised in a business combination are their fair values as at the date of acquisition. Brand names with finite lives are amortised on a straight-line basis over the estimated economic useful lives ranging from three (3) to thirty (30) years.

Computer software

Computer software that do not form an integral part of the related hardware are treated as intangible assets with finite lives and are amortised on a straight-line basis over the estimated useful lives ranging from five (5) to ten (10) years.

Computer software are not amortised until such time when the assets are available for use.

16. SUBSIDIARIES

16.1 Investments in subsidiaries

	Company	
In RM million	**2026**	**2025**
At cost		
Unquoted shares in Malaysia	**6,341.3**	6,321.2
Unquoted shares outside Malaysia	**1,702.9**	1,657.9
	8,044.2	7,979.1
Less: Impairment losses	**(134.6)**	(131.2)
	7,909.6	7,847.9

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses, if any.

If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstance, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at either fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Details of the subsidiaries are set out in Note 38 to the financial statements.

During the financial year, the following material changes in the investments in subsidiaries:

i. subscribed for an additional 10,871,297 redeemable preference shares equivalent to RM45.0 million (USD10.8 million) in Eglinton Investments Pte Ltd ("Eglinton"). The subscription was settled via the conversion of the amount due from Eglinton to equity.

ii. acquisition of a subsidiary, Lubah Plantations (S) Sdn Bhd ("Lubah"):

   On 30 May 2025, Palmco Plantations (Sabah) Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement to acquire 100% of the equity interest in Lubah for a total purchase consideration of RM24.9 million. The acquisition was completed on 1 July 2025. Lubah is principally involved in oil palm cultivation.

16. SUBSIDIARIES (Continued)

16.1 Investments in subsidiaries (Continued)

ii. acquisition of a subsidiary, Lubah Plantations (S) Sdn Bhd ("Lubah") (Continued):

The fair value of identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisition were determined as follows:

In RM million	**Group**
Property, plant and equipment	**25.9**
Other assets	**11.4**
Bank overdrafts	**(11.9)**
Deferred tax liabilities	**(2.8)**
Other payables	**-***
Total identifiable net assets	**22.6**
Goodwill	**2.3**
Purchase consideration	**24.9**
Add: Net cash and cash equivalents acquired (bank overdrafts)	**11.9**
Less: Settlement of intercompany loan on acquisition	**(11.0)**
Net cash outflow on acquisition, net of cash and cash equivalents acquired	**25.8**

* *Amount is negligible*

iii. acquisition of three (3) subsidiaries, Malbumi Estate Sdn Bhd, Malbumi Development Sdn Bhd and Kurnialang Corporation Sdn Bhd ("Malbumi Group"):

On 30 October 2025, Unico-Desa Plantations Berhad, a wholly owned indirect subsidiary of the Company, entered into a Share Purchase Agreement to acquire 100% of the equity interest in Malbumi Group for a total purchase consideration of RM293.3 million. The acquisition was completed on 2 January 2026. Malbumi Group is principally involved in oil palm cultivation.

The fair value of identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisition were determined as follows:

In RM million	**Group**
Property, plant and equipment	**312.6**
Other assets	**88.0**
Borrowings	**(76.5)**
Deferred tax liabilities	**(47.7)**
Other payables	**(1.6)**
Total identifiable net assets	**274.8**
Goodwill	**18.5**
Purchase consideration	**293.3**
Less: Net cash and cash equivalents acquired	**(2.5)**
Settlement of intercompany loan on acquisition	**(82.9)**
Net cash outflow on acquisition, net of cash and cash equivalents acquired	**207.9**

Had the acquisitions occurred on 1 July 2025, it would not have any material effect on the earnings, net assets or gearing of the Group for the financial year ended 30 June 2026.

16. SUBSIDIARIES (Continued)

16.1 Investments in subsidiaries (Continued)

Impairment testing on costs of investments in subsidiaries

In the previous financial year, impairment losses on costs of investments in subsidiaries amounting to RM82.5 million have been recognised in statement of profit or loss under other operating expenses due to the recoverable amounts are lower than their carrying amounts. The recoverable amount of the CGUs was determined based on the value-in-use approach.

The underlying key assumptions applied in the impairment assessment are similar to the impairment assessment on the goodwill, which have been set out in Note 15.1 to the financial statements.

IOI Palm Wood Sdn Bhd ("IOI Palm Wood")

Management assessed the investment for impairment indicators and performed a recoverable amount assessment using the value-in-use approach based on the key assumptions as disclosed in Note 14 to the financial statements.

As at 30 June 2026, the carrying amount of the Company's investment in IOI Palm Wood amounted to RM113.7 million. Based on the assessment performed, management concluded the recoverable amount supports the carrying amount. Accordingly, no additional impairment loss was recognised during the financial year.

As at 30 June 2025, the carrying amount of the Company's investment cost in IOI Palm Wood amounted to RM97.7 million, net of impairment loss of RM76.5 million recognised during the previous financial year. This impairment loss was primarily due to the under performance of operations.

Separately, the Group has recognised an impairment loss on property, plant and equipment relating to IOI Palm Wood amounting to RM39.2 million during the previous financial year as disclosed in Note 14 to the financial statements. The accumulated losses of IOI Palm Wood have been consolidated and recognised at the Group level and are reflected in the statement of profit or loss as and when incurred.

Measurement of the recoverable amount of IOI Palm Wood was determined via value-in-use approach. The underlying key assumptions applied in the impairment assessment are similar to the impairment assessment on the property, plant and equipment, which have been set out in Note 14 to the financial statements, as well as determining appropriate disposal value of assets.

16.2 Amounts due from and to subsidiaries

The amounts due from and to subsidiaries represent outstanding amounts arising from inter-company sales and purchases, both at normal credit terms, advances and payments made on behalf of or by subsidiaries, which are unsecured and interest-free except for amounts due from subsidiaries amounting to RM891.3 million (2025 – RM642.7 million), which bear interest at rates ranging from 2.13% to 6.35% (2025 – 2.54% to 7.34%) per annum and amounts due to subsidiaries amounting to RM837.3 million (2025 – RM886.3 million), which bear interest at rates ranging from 4.33% to 4.66% (2025 – 4.33% to 4.66%) per annum.

The current amounts due from and to subsidiaries are payable within the next twelve (12) months in cash and cash equivalents. The non-current amounts due from and to subsidiaries are either not payable within the next twelve (12) months or payable on a back-to-back basis with the corresponding borrowings of the Group. The carrying amounts of non-current amounts due from and to subsidiaries approximate their fair values as their interest rates are priced at reasonable approximation of the market interest rates as at the end of the reporting period.

Impairment for amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model as disclosed in Note 22.2 to the financial statements.

16. SUBSIDIARIES (Continued)

16.2 Amounts due from and to subsidiaries (Continued)

The reconciliation of movements in the impairment losses accounts for amounts due from subsidiaries is as follows:

In RM million	**Lifetime ECL – not credit impaired**	**Lifetime ECL – credit impaired**	**Total**
Company			
2026			
At beginning of financial year	**1.3**	**1.6**	**2.9**
Charge for the financial year	**0.4**	**-**	**0.4**
Reversal of impairment losses	**(0.1)**	**(1.6)**	**(1.7)**
At end of financial year	**1.6**	**-**	**1.6**
2025			
At beginning of financial year	72.6	1.6	74.2
Reversal of impairment losses	(71.3)	-	(71.3)
At end of financial year	1.3	1.6	2.9

Credit impaired refers to individually determined subsidiaries who are in significant financial difficulties as at the end of the reporting period.

16.3 Material non-controlling interests

The Group does not have any subsidiary that has non-controlling interests, which are individually material to the Group as at 30 June 2026.

17. ASSOCIATES

17.1 Investments in associates

	Group		**Company**	
In RM million	**2026**	**2025**	**2026**	**2025**
At cost				
Shares quoted outside Malaysia	**434.0**	434.0	**-**	-
Unquoted shares outside Malaysia	**1,224.6**	1,159.5	**810.4**	745.3
Unquoted shares in Malaysia	**86.9**	86.9	**24.9**	24.9
	1,745.5	1,680.4	**835.3**	770.2
Share of post-acquisition results and reserves	**1,540.3**	1,565.4	**-**	-
	3,285.8	3,245.8	**835.3**	770.2
At Market Value				
Shares quoted outside Malaysia	**2,867.4**	1,420.3	**-**	-

17. ASSOCIATES (Continued)

17.1 Investments in associates (Continued)

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting based on the latest financial statements of the associates concerned, from the date significant influence commences until the date the Group ceases to have significant influence over the associates. The investments in associates in the consolidated statement of financial position are initially recognised at cost and adjusted thereafter for the post-acquisition changes in the Group's share of net assets of the investments.

Details of the associates are set out in Note 38 to the financial statements.

During the financial year, the Company made a cash contribution of RM65.1 million (2025 – RM87.0 million) to an associate, namely Bunge Loders Croklaan Group BV ("BLC") for the investment in the ongoing construction of a new integrated tropical oil and specialty fats manufacturing complex in Amsterdam, the Netherlands.

17.2 Material associates and summary of financial information

The Group regards Bumitama Agri Ltd ("Bumitama") and BLC as material associates.

Bumitama

The summary of unaudited financial information of Bumitama for the periods ended 30 June 2026 and 30 June 2025 are summarised as follows:

	Bumitama	
In RM million	**2026**	**2025**
Assets and liabilities		
Current assets	**1,594.3**	1,396.7
Non-current assets	**3,784.6**	4,212.9
Total assets	**5,378.9**	5,609.6
Current liabilities	**(840.6)**	(344.8)
Non-current liabilities	**(446.3)**	(949.8)
Total liabilities	**(1,286.9)**	(1,294.6)
Net assets	**4,092.0**	4,315.0
Non-controlling interests	**(556.4)**	(588.7)
Net assets attributable to shareholders of Bumitama	**3,535.6**	3,726.3
Results		
Revenue	**5,314.2**	5,069.1
Profit for the financial period	**800.9**	725.0
Other comprehensive income	**0.1**	26.3
Total comprehensive income	**801.0**	751.3

17. ASSOCIATES (Continued)

17.2 Material associates and summary of financial information (Continued)

BLC

The summary of unaudited financial information of BLC for the periods ended 30 June 2026 and 30 June 2025 are summarised as follows:

	BLC	
In RM million	**2026**	**2025**
Assets and liabilities		
Current assets	**3,893.8**	3,854.3
Non-current assets	**5,615.9**	4,598.4
Total assets	**9,509.7**	8,452.7
Current liabilities	**(1,568.1)**	(1,104.3)
Non-current liabilities	**(842.3)**	(897.2)
Total liabilities	**(2,410.4)**	(2,001.5)
Net assets attributable to shareholders of BLC	**7,099.3**	6,451.2
Results		
Revenue	**10,885.1**	10,373.3
Profit for the financial period	**618.9**	512.0
Other comprehensive income/(loss)	**127.5**	(196.8)
Total comprehensive income	**746.4**	315.2

The information above represents the unaudited amounts in the financial statements of associates and does not reflect the Group's proportionate share in those amounts.

17. ASSOCIATES (Continued)

17.2 Material associates and summary of financial information (Continued)

The reconciliation of the above summarised unaudited financial information to the carrying amount of the Group's interests in associates is as follows:

In RM million	**Bumitama**	**BLC**
2026		
Net assets attributable to shareholders of associates	**3,535.6**	**7,099.3**
Proportion of ownership interest held by the Group	**32.10%**	**20.00%**
Group's share of net assets	**1,134.8**	**1,419.9**
Goodwill	**168.7**	**-**
Gain on re-measurement	**-**	**228.0**
Carrying amount of the Group's interests in associates	**1,303.5**	**1,647.9**
Dividend received during the financial year	**169.2**	**-**
2025		
Net assets attributable to shareholders of associates	3,726.3	6,451.2
Proportion of ownership interest held by the Group	32.10%	20.00%
Group's share of net assets	1,196.1	1,290.3
Goodwill	168.7	-
Gain on re-measurement	-	228.0
Carrying amount of the Group's interests in associates	1,364.8	1,518.3
Dividend received during the financial year	121.9	-

17.3 Other associates and summary of financial information

The summarised unaudited financial information based on the Group's interests in the individually immaterial associates in aggregate is as follows:

	Group	
In RM million	**2026**	**2025**
Profit for the financial period	**8.1**	12.8
Other comprehensive (loss)/income	**(3.6)**	1.3
Total comprehensive income	**4.5**	14.1
Carrying amount	**334.4**	362.7

Dividends received from immaterial associates during the financial year amounted to RM32.8 million (2025 – RM3.0 million).

18. DERIVATIVE FINANCIAL INSTRUMENTS

In RM million	Contract/ Notional amount Net (short)/long	Fair value Financial Assets	Fair value Financial Liabilities
Group			
2026			
Forward foreign exchange contracts	**(1,603.9)**	**3.4**	**29.5**
Commodity forward contracts	**(190.0)**	**10.9**	**8.8**
Commodity futures	**(651.1)**	**14.1**	**1.0**
Cross currency swap contracts	**750.0**	**9.4**	**23.4**
Interest rate swap contract	**50.8**	**0.7**	**-**
Total derivative financial instruments		**38.5**	**62.7**
Less: Current portion		**(29.9)**	**(39.3)**
Non-current portion		**8.6**	**23.4**
2025			
Forward foreign exchange contracts	(1,618.0)	32.7	0.8
Commodity forward contracts	(208.9)	10.2	2.9
Commodity futures	79.5	13.4	5.5
Cross currency swap contracts	846.8	31.4	2.8
Interest rate swap contract	105.5	2.6	-
Total derivative financial instruments		90.3	12.0
Less: Current portion		(57.6)	(10.6)
Non-current portion		32.7	1.4
Company			
2026			
Cross currency swap contracts	**223.4**	**2.6**	**-**
Interest rate swap contract	**50.8**	**0.7**	**-**
Total derivative financial instruments		**3.3**	**-**
Less: Current portion		**(1.5)**	**-**
Non-current portion		**1.8**	**-**
2025			
Forward foreign exchange contracts	18.1	0.1	-
Cross currency swap contracts	232.0	-	2.8
Interest rate swap contract	105.5	2.6	-
Total derivative financial instruments		2.7	2.8
Less: Current portion		(1.4)	(1.4)
Non-current portion		1.3	1.4

18. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

i. Forward foreign exchange contracts

Forward foreign exchange contracts were entered into as hedges for sales and purchases denominated in foreign currencies and to limit the exposure to potential changes in foreign exchange rates with respect to the Group's foreign currencies denominated financial assets and financial liabilities.

ii. Commodity forward contracts and futures

Commodities forward contracts and futures were entered into with the objective of managing and hedging the respective exposure of the Group's plantation segment and resource-based manufacturing segment to adverse price movements in vegetable oil commodities. The fair values of these components except for forward contracts identified and entered into for own use, which is continue to be held to receive or deliver the commodities have been determined based on published market prices or quoted prices from reputable and credible financial services industry.

iii. Cross currency swap contracts

Cross currency swap contracts are mainly used to hedge against its exposures of borrowings and serve as a net investment hedge against the Group's Euro denominated assets.

iv. Interest rate swap contract

Interest rate swap contract is used to hedge the Group's exposures to movements in interest rates.

All the above derivatives were initially recognised at fair value on the date the derivative contracts were entered into. The derivatives were subsequently remeasured at fair value and the changes in fair value were recognised as follows:

i. Derivatives recognised in the other comprehensive income pursuant to MFRS 9 Financial Instruments.

Cross currency swap contract which swapped a floating rate USD27.5 million liability to a fixed rate EUR24.3 million liability ("USDEUR CCS I"). USD27.5 million of the USDEUR CCS I matured in December 2025 and balance of USD27.5 million will mature in December 2026.

Cross currency swap contract which swapped a floating rate USD27.5 million liability to a floating rate EUR23.6 million liability ("USDEUR CCS II"). USD13.8 million of the USDEUR CCS II will mature in December 2031 and balance of USD13.7 million will mature in December 2032.

ii. Derivatives recognised in the profit or loss

All other derivatives other than those mentioned in (i) above.

During the financial year, the Group and the Company recognised total fair value loss of RM50.7 million (2025 – gain of RM0.4 million) and fair value gain of RM2.8 million (2025 – loss of RM2.8 million) respectively arising from fair value changes of derivative liabilities. The determination of the fair values of the derivative financial instruments involves significant judgements and assumptions made by the management. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 36.6 to the financial statements.

19. DEFERRED TAX

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
At beginning of financial year	**1,233.8**	1,213.1	**5.3**	(13.4)
Recognised in profit or loss				
- Current year	**41.6**	17.7	**(0.4)**	18.7
- Prior years	**1.0**	0.6	**-**	-
	42.6	18.3	**(0.4)**	18.7
Acquisition of subsidiaries	**50.5**	6.4	**-**	-
Reclassified from/(to) assets/liabilities held for sale	**3.3**	(3.3)	**-**	-
Recognised in other comprehensive income	**0.6**	(0.3)	**-**	-
Foreign currency translation differences	**(0.4)**	(0.4)	**-**	-
At end of financial year	**1,330.4**	1,233.8	**4.9**	5.3

Presented after appropriate offsetting as follows:

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Deferred tax liabilities, net *	**1,354.8**	1,257.0	**4.9**	5.3
Deferred tax assets, net *	**(24.4)**	(23.2)	**-**	-
	1,330.4	1,233.8	**4.9**	5.3

Note:
* *The amounts of set-off between deferred tax liabilities and deferred tax assets were RM68.2 million (2025 – RM65.9 million) and RM0.4 million (2025 – RM0.7 million) for the Group and the Company respectively.*

The movements of deferred tax liabilities and deferred tax assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
At beginning of financial year	**1,322.9**	1,272.2	**6.0**	5.7
Recognised in profit or loss				
Temporary differences on property, plant and equipment	**47.0**	47.4	**(0.7)**	0.2
Other temporary differences	**(2.3)**	2.1	**-**	0.1
	44.7	49.5	**(0.7)**	0.3
Acquisition of subsidiaries	**51.4**	6.4	**-**	-
Reclassified from/(to) liabilities held for sale	**4.6**	(4.6)	**-**	-
Foreign currency translation differences	**(0.6)**	(0.6)	**-**	-
At end of financial year	**1,423.0**	1,322.9	**5.3**	6.0

19. DEFERRED TAX (Continued)

The movements of deferred tax liabilities and deferred tax assets during the financial year prior to offsetting are as follows (Continued):

Deferred tax assets

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
At beginning of financial year	**89.1**	59.1	**0.7**	19.1
Recognised in profit or loss				
Temporary differences on unutilised tax losses	**5.6**	18.2	**-**	-
Other deductible temporary differences	**(3.5)**	13.0	**(0.3)**	(18.4)
	2.1	31.2	**(0.3)**	(18.4)
Acquisition of subsidiaries	**0.9**	-	**-**	-
Reclassified from/(to) assets held for sale	**1.3**	(1.3)	**-**	-
Recognised in other comprehensive income	**(0.6)**	0.3	**-**	-
Foreign currency translation differences	**(0.2)**	(0.2)	**-**	-
At end of financial year	**92.6**	89.1	**0.4**	0.7

The components of deferred tax liabilities and deferred tax assets at the end of the financial year comprise the tax effects of:

Deferred tax liabilities

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Temporary differences on property, plant and equipment	**1,404.2**	1,304.4	**5.2**	5.9
Other temporary differences	**18.8**	18.5	**0.1**	0.1
	1,423.0	1,322.9	**5.3**	6.0

Deferred tax assets

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Temporary differences on unutilised tax losses	**33.6**	26.4	**-**	-
Temporary differences on unabsorbed capital allowances	**22.0**	11.8	**-**	-
Other deductible temporary differences	**37.0**	50.9	**0.4**	0.7
	92.6	89.1	**0.4**	0.7

19. DEFERRED TAX (Continued)

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position is as follows:

	Group	
In RM million	**2026**	**2025**
Unutilised tax losses expiring within		
1 to 5 years	**76.9**	76.9
6 to 10 years	**89.5**	76.4
Unabsorbed capital allowances	**63.3**	64.4
	229.7	217.7

The Group has assessed the likelihood of sufficient future profits available to recover the amount of deductible temporary differences. Deferred tax assets of certain subsidiaries of the Group have not been recognised in respect of these items as it is not probable that taxable income of the subsidiaries will be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the period as disclosed above are subject to the agreement of the respective tax authorities.

The Global Minimum Tax ("GMT") regime in Malaysia became effective for financial years beginning on or after 1 July 2025. The GMT legislation forms part of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two framework, which is designed to ensure that large multinational enterprise ("MNE") groups are subject to a minimum effective tax rate of 15% in each jurisdiction in which they operate.

Progressive Holdings Sdn Bhd is the Ultimate Parent Entity ("UPE") of the wider MNE Group that includes IOI Corporation Berhad and its subsidiaries. As the MNE Group falls within the revenue threshold prescribed under the OECD Pillar Two Model Rules, the Group is within the scope of the GMT and Pillar Two legislation enacted in the various jurisdictions in which it operates.

Under the GMT framework, a Top-up Tax may arise where the jurisdictional effective tax rate calculated in accordance with the OECD Pillar Two Model Rules is below the minimum rate of 15%. The Group operates in multiple jurisdictions where Pillar Two legislation has been enacted and is effective, including Malaysia, Germany, the Netherlands, Singapore, Indonesia and Hong Kong.

The Group performed an assessment of its Pillar Two exposure for the financial year ended 30 June 2026. All jurisdictions qualified for the Transitional Country-by-Country Reporting Safe Harbour ("TCSH"), except Singapore and the United States. Accordingly, detailed Pillar Two calculations were performed for these jurisdictions in accordance with the OECD Pillar Two Model Rules.

Based on the assessment performed, no Pillar Two Top-up Tax liability arose in any jurisdiction for the financial year ended 30 June 2026. Consequently, no Pillar Two current tax expense has been recognised in the consolidated financial statements.

The Group has applied the temporary mandatory exception under Amendments to MFRS 112 *International Tax Reform – Pillar Two Model Rules*, from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. Accordingly, no deferred tax has been recognised in respect of Pillar Two income taxes. The Group will continue to monitor legislative developments and assess the effect of Pillar Two requirements in the jurisdictions in which it operates.

The Group applies the temporary mandatory relief from deferred tax accounting for the top-up tax and requirements about the Pillar Two exposure as provided in Amendments to MFRS 112 *International Tax Reform – Pillar Two Model Rules*.

The Group continues to assess the potential impact of Pillar Two legislation in other jurisdictions where it operates, as and when such legislation is enacted.

20. OTHER NON-CURRENT ASSETS

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Investment properties (Note 20.1)	**6.4**	6.5	**-**	-
Joint ventures (Note 20.2)	**90.2**	15.0	**38.1**	7.7
Other investments – non-current (Note 20.3)	**109.7**	100.3	**-**	-
Claim for tax refund – non-current (Note 20.4)	**52.9**	46.9	**-**	-
Plasma receivables – non-current (Note 22.3)	**18.3**	31.2	**-**	-
	277.5	199.9	**38.1**	7.7

20.1 Investment properties

Investment properties are initially measured at cost, including transaction costs.

After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land under investment properties has an unlimited useful life and therefore is not depreciated. The principal depreciation period for the building component of the investment properties is 30.5 (2025 – 30.5) years.

The fair value of the investment properties for disclosure purposes, which is at Level 3 fair value, is based on Directors' estimation by reference to the market evidence of transaction prices for similar properties and recent experience in the location and category of the property being valued.

The fair value of the investment properties at the end of the reporting period is RM11.0 million (2025 – RM9.0 million).

20.2 Joint ventures

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Investment in joint ventures				
Unquoted shares, at cost	**103.8**	36.5	**50.8**	36.0
Less: Impairment loss	**-**	(9.9)	**(14.2)**	(35.0)
	103.8	26.6	**36.6**	1.0
Share of post-acquisition results and reserves	**(15.1)**	(18.3)	**-**	-
	88.7	8.3	**36.6**	1.0
Amount due from a joint venture				
Amount due from a joint venture	**1.5**	6.8	**1.5**	6.8
Less: Impairment loss	**-***	(0.1)	**-***	(0.1)
	1.5	6.7	**1.5**	6.7
	90.2	15.0	**38.1**	7.7

* *Amount is negligible*

Details of the joint ventures are set out in Note 38 to the financial statements.

20. OTHER NON-CURRENT ASSETS (Continued)

20.2 Joint ventures (Continued)

Investments in joint ventures are stated at cost less impairment loss in the separate financial statements. The Group recognises its interests in joint ventures as investment and accounts for that investment using the equity method of accounting.

During the financial year, the following material changes in the investments in joint ventures:

i. The Group subscribed for an additional 30,715,050 ordinary shares amounting to RM30.7 million and 21,750,000 redeemable preference shares amounting to RM21.8 million in Nextgreen IOI Pulp Sdn Bhd. The subscriptions were settled in cash.

ii. A reversal of impairment loss on the cost of investment in a joint venture of the Group and the Company amounting to RM9.9 million (2025 – Nil) and RM20.8 million (2025 – Nil) was recognised respectively. This was due to the recoverable amount of the joint venture, which determined based on its net assets, was higher than the carrying amount.

Impairment for non-trade amount due from a joint venture is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model as disclosed in Note 22.2 to the financial statements.

The summarised financial information based on the Group's interest in the individually joint ventures in aggregate is as follows:

	Group	
In RM million	**2026**	**2025**
Profit for the financial period	**3.2**	3.4
Total comprehensive income	**3.2**	3.4
Carrying amount	**90.2**	15.0

20.3 Other investments – non-current

	Group	
In RM million	**2026**	**2025**
At fair value through profit or loss		
Outside Malaysia		
- Unquoted equity investments	**109.7**	100.3

20.4 Claim for tax refund – non-current

The tax refund claims represent additional tax assessments and Value Added Tax ("VAT") paid by certain Indonesian subsidiaries of the Group. The resolution of these claims with the relevant tax authorities is expected to take more than twelve (12) months.

21. INVENTORIES

	Group	
In RM million	**2026**	**2025**
At cost		
Plantation produce	**112.3**	108.3
Raw materials and consumables	**320.3**	310.1
Nursery inventories	**54.7**	51.2
Finished goods	**463.0**	345.2
Semi-finished goods	**30.6**	34.9
Others	**6.8**	6.8
	987.7	856.5
At net realisable value		
Raw materials and consumables	**71.8**	81.5
Finished goods	**292.4**	400.4
Semi-finished goods	**105.7**	81.4
	469.9	563.3
	1,457.6	1,419.8

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis. Cost comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition. The cost of plantation produces and finished goods includes the cost of raw materials, direct labour and a proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

A write down of inventories to net realisable value of RM1.7 million (2025 – RM31.6 million) was made by the Group during the financial year.

The Group reversed RM24.4 million (2025 – RM0.1 million) in respect of inventories written down in the previous financial year that were subsequently not required due to the increase in selling prices of commodities and products.

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Trade receivables (Note 22.1)	**1,145.9**	1,105.3	**-**	-
Other receivables, deposits and prepayments (Note 22.2)	**256.7**	260.0	**34.6**	33.7
Plasma receivables – current (Note 22.3)	**17.0**	28.0	**-**	-
	1,419.6	1,393.3	**34.6**	33.7

22. TRADE AND OTHER RECEIVABLES (Continued)

22.1 Trade receivables

In RM million	Group 2026	Group 2025
Trade receivables	**1,154.9**	1,111.6
Less: Impairment losses	**(9.0)**	(6.3)
	1,145.9	1,105.3

i. The normal trade credit terms granted by the Group range from 1 to 180 days (2025 – 1 to 120 days). They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.

ii. Impairment for trade receivables and trade amounts due from associates that do not contain a significant financing component are recognised based on the simplified approach by applying the provisional matrix approach using the flow-rate model to calculate the lifetime expected credit losses ("ECL").

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset. The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 4 to the financial statements to estimate the amount of expected impairment losses. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probabilities of non-payments by the trade receivables and trade amounts due from associates are adjusted by forward looking information and multiplied by the amounts of the expected losses arising from defaults to determine the lifetime ECL for the trade receivables and trade amounts due from associates. The Group has identified the Gross Domestic Product, crude palm oil prices and unemployment rate as the key macroeconomic factors. For trade receivables and trade amounts due from associates, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivables and trade amounts due from associates would not be collectable, the gross carrying values of the assets would be written off against the associated impairment.

Individual assessment of impairment of trade receivables is separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probabilities of default by trade receivables and trade amounts due from associates and appropriate forward looking information.

iii. The reconciliation of movements in the impairment losses accounts for trade receivables is as follows:

In RM million	Lifetime ECL – Not credit impaired 2026	Lifetime ECL – Not credit impaired 2025
Group		
At beginning of financial year	**6.3**	5.4
Charge for the financial year	**3.0**	0.9
Reversal of impairment losses	**(0.3)**	-
At end of financial year	**9.0**	6.3

22. TRADE AND OTHER RECEIVABLES (Continued)

22.2 Other receivables, deposits and prepayments

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Other receivables	**171.4**	160.4	**1.2**	0.2
Deposits	**11.3**	13.4	**-**	-
Prepayments	**74.0**	86.2	**33.4**	33.5
	256.7	260.0	**34.6**	33.7

i. Impairment for other receivables, financial guarantee contracts, amounts due from subsidiaries, associates and a joint venture are recognised based on the three-stage general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while twelve-month ECL are the portion of ECL that result from default events that are possible within the twelve (12) months after the end of the reporting period. The maximum period considered when estimating ECL is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information.

The probabilities of non-payments by other receivables, financial guarantee contracts and amounts due from subsidiaries, associates and a joint venture are adjusted by forward looking information and multiplied by the amounts of the expected losses arising from defaults to determine the twelve-month or lifetime ECL for the other receivables, financial guarantee contracts and amounts due from subsidiaries, associates and a joint venture. The Group has identified the Gross Domestic Product, crude palm oil prices and unemployment rate as the key macroeconomic factors.

It requires management to exercise significant judgement in determining the probabilities of default by other receivables, financial guarantee contracts and amounts due from subsidiaries, associates and a joint venture, appropriate forward looking information and significant increase in credit risk.

ii. No ECL is recognised arising from other receivables as the amount is negligible.

22. TRADE AND OTHER RECEIVABLES (Continued)

22.3 Plasma receivables

	Group	
In RM million	**2026**	**2025**
Gross plasma receivables	**41.7**	65.4
Less: Impairment losses	**(6.4)**	(6.2)
	35.3	59.2
Less: Plasma receivables – current	**(17.0)**	(28.0)
Plasma receivables – non-current	**18.3**	31.2

i. In accordance with the policy of the Government of the Republic of Indonesia, nucleus companies involved in plantation developments are required to provide support to develop and cultivate palm oil lands for local communities as part of their social obligation which is known as "plasma" schemes.

Plasma receivables represent costs incurred for plasma plantations development which are temporary self-funded by the Group and will be repaid by plasma farmers via financed through banks finance facilities or reimbursed directly by the plasma farmers.

ii. Impairment for plasma receivables are recognised based on the general approach using lifetime expected credit losses ("ECL") method in accordance with MFRS 9, which are derived from a probability-weighted outcomes for low to high default risks. Management expects that payments will be obtained from the utilisation of available banking facilities as well as sustainable cash flows generated from the operations by the plasma farmers. The estimated future cash flows recoverable from plasma receivables are determined based on the expected repayment period of the plasma scheme, adjusted for anticipated repayment pattern after taking into considerations of various factors and information, including time value of money. Discount rate used for cash flows discounting purpose is at 6.25% (2025 – 8.06%).

Management is of the view that the ECL of plasma receivables are adequate based on the analysis of probability of default by plasma receivables, appropriate forward-looking information, significant increase in credit risk and estimated cash flows recoverable based on expectation of repayment patterns from plasma receivables.

iii. The reconciliation of movements in the impairment losses accounts for plasma receivables is as follows:

	Group	
In RM million	**2026**	**2025**
At beginning of financial year	**6.2**	4.8
Charge for the financial year	**1.1**	2.0
Reversal of impairment losses	**-**	(0.2)
Foreign currency translation differences	**(0.9)**	(0.4)
At end of financial year	**6.4**	6.2

23. AMOUNTS DUE FROM ASSOCIATES

	Group	
In RM million	**2026**	**2025**
Amounts due from associates	**104.9**	103.2
Less: Impairment losses	**(0.5)**	(0.5)
	104.4	102.7

Amounts due from associates represent outstanding amounts arising from sales, management income and payments made on behalf by associates, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.

Impairment for receivables from trade amounts due from associates are recognised based on the simplified approach using the lifetime expected credit losses ("ECL") as disclosed in Note 22.1 to the financial statements.

Impairment for receivables from non-trade amounts due from associates are recognised based on the three-stage general approach within MFRS 9 using the forward looking ECL model as disclosed in Note 22.2 to the financial statements.

The reconciliation of movements in the impairment losses accounts for amounts due from associates is as follows:

	Lifetime ECL – Not credit impaired	
In RM million	**2026**	**2025**
Group		
At beginning of financial year	**0.5**	0.2
Charge for the financial year	**0.1**	0.3
Reversal of impairment losses	**(0.1)**	-
At end of financial year	**0.5**	0.5

24. OTHER CURRENT ASSETS

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Other investments (Note 24.1)	**80.2**	81.0	**1.0**	0.8
Biological assets (Note 24.2)	**85.9**	58.6	**0.5**	0.3
Current tax assets	**31.8**	71.8	**1.1**	2.1
	197.9	211.4	**2.6**	3.2

24.1 Other investments

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
At fair value through profit or loss				
In Malaysia				
- Quoted shares	**70.1**	71.2	**0.8**	0.6
- Unquoted shares	**10.1**	9.8	**0.2**	0.2
	80.2	81.0	**1.0**	0.8

24. OTHER CURRENT ASSETS (Continued)

24.2 Biological assets

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
At fair value				
Plantation expenditure for orchard				
At beginning of financial year	**2.0**	3.3	**0.1**	0.4
Additions	**1.0**	1.0	**-**	0.2
Transfer to inventories	**(1.4)**	(2.3)	**-**	(0.5)
At end of financial year	**1.6**	2.0	**0.1**	0.1
Fresh fruit bunches				
At beginning of financial year	**56.6**	51.1	**0.2**	0.2
Changes in fair value less costs to sell	**28.7**	6.0	**0.2**	-
Foreign currency translation differences	**(1.0)**	(0.5)	**-**	-
At end of financial year	**84.3**	56.6	**0.4**	0.2
Total biological assets	**85.9**	58.6	**0.5**	0.3

The biological assets of the Group and the Company comprise:

i. Plantation expenditure for orchard

The Group deems the fair value less costs to sell of the plantation expenditure for orchard to approximate cost.

The fair value of planting expenditure of the Group is categorised within Level 3 of the fair value hierarchy. There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

ii. Fresh Fruit Bunches ("FFB") prior to harvest

The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sales of FFB. To arrive at the fair value, the management has considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 80% of the ripe FFB, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Costs to sell include harvesting cost, transport and windfall profit levy.

During the financial year, the Group and the Company harvested approximately 2,959,768 metric tonnes ("MT") (2025 – 2,839,583 MT) and 4,923 MT (2025 – 5,620 MT) of FFB respectively.

As at 30 June 2026, none of the biological assets are pledged as securities for liabilities.

The fair value measurement of the Group's biological assets is categorised within Level 3 of the fair value hierarchy. If the FFB selling price changes by 10%, profit or loss for the Group would have equally increased or decreased by approximately RM10.2 million (2025 – RM6.9 million) and no significant impact for profit or loss for the Company.

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year comprise:

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Short term funds	**914.7**	674.1	**-**	-
Deposits with financial institutions with maturities of 3 months or less	**341.9**	307.1	**143.7**	178.3
Cash and bank balances	**587.0**	597.2	**15.6**	36.1
	1,843.6	1,578.4	**159.3**	214.4

The Group has undrawn borrowing facilities of RM7,181.4 million (2025 – RM7,698.0 million) at the end of the financial year, and this includes undrawn facilities equivalent to RM4,873.5 million (2025 – RM5,063.7 million) in respect of the EMTN Programme as disclosed in Note 29.1 to the financial statements.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments and short-term funds, which are readily convertible to cash and are subject to insignificant risk of changes in value.

No expected credit loss is recognised arising from cash and bank balances and deposits with financial institutions because the probability of default by these financial institutions is negligible.

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The proposed divestment of the entire equity interest in a palm oil mill company was previously presented as a disposal group classified as held for sale following the commitment of the Group's management to a plan to sell the proposed palm oil mill company.

During the financial year, the Group's management reassessed the disposal plan and determined that the criteria for the disposal group to classified as held for sale were no longer met. Accordingly, the disposal group was reclassified out of held for sale. The assets and liabilities of disposal group have been reclassified to their respective line items in the statement of financial position, and comparative information has not been restated.

The assets and liabilities of disposal group reclassified from/to held for sale are as follows:

	Group	
In RM million	**2026**	**2025**
Assets of disposal group reclassified from held for sale to:		
Property, plant and equipment	**25.3**	-
Goodwill (Note 15.1)	**1.2**	-
Other assets	**0.7**	-
Asset of disposal group classified as held for sale	**-**	27.2
Liabilities of disposal group reclassified from held for sale to:		
Total liabilities	**3.4**	-
Liabilities of disposal group classified as held for sale	**-**	3.4

27. SHARE CAPITAL AND TREASURY SHARES

27.1 Share capital

	2026		2025	
	No. of shares	**Amount**	**No. of shares**	**Amount**
		RM million		*RM million*
Group and Company				
Issued and fully paid with no par value				
Ordinary shares				
At beginning of financial year	**6,285,198,995**	**791.1**	6,285,198,995	791.1
Gain from sale for treasury shares	**-**	**23.8**	-	-
At end of financial year	**6,285,198,995**	**814.9**	6,285,198,995	791.1

i. The owners of the parent are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

ii. Of the total 6,285,198,995 issued and fully paid-up ordinary shares, 81,501,700 shares are held as treasury shares in the previous financial year. During the financial year, the Company disposed of all its accumulated 81,501,700 treasury shares at open market as disclosed in Note 27.2 to the financial statement. Accordingly, the number of ordinary shares in issue and fully paid-up after deducting treasury shares as at end of the financial year is 6,285,198,995 (2025 – 6,203,697,295).

27.2 Treasury shares

The shareholders of the Company, by an ordinary resolution passed at an extraordinary general meeting held on 18 November 1999, approved the Company's plan to repurchase up to 10% of the issued share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed during subsequent Annual General Meetings ("AGM") of the Company, including the last AGM held on 4 November 2025.

The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company.

The Company has the right to cancel, resell and/or distribute the treasury shares as dividends or transfer the treasury shares as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

During the financial year, the Company sold all its accumulated 81,501,700 treasury shares in the open market for a total consideration of RM334.2 million at a price of RM4.10 per ordinary share (RM333.6 million, net of transaction costs).

At the end of the financial year, the Company did not hold any treasury shares.

The Company did not repurchase any of its issued ordinary shares from the open market during the financial year and in the previous financial year.

28. RESERVES

	Group	
In RM million	**2026**	**2025**
Capital reserve (Note 28.1)	**7.7**	7.7
Foreign currency translation reserve (Note 28.2)	**(517.3)**	(182.2)
Hedging reserve (Note 28.3)	**12.6**	15.0
Other reserves (Note 28.4)	**(11.5)**	(8.2)
	(508.5)	(167.7)

The movements in reserves are shown in the statements of changes in equity.

28.1 Capital reserve

Capital reserve represents the net accretion in the Group's share of net assets arising from shares issued by certain subsidiaries to non-controlling shareholders.

28.2 Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items, which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

28.3 Hedging reserve

Hedging reserve of the Group comprises:

i. The effective portion of cumulative gain or loss on hedging instruments relating to the hedges of the Group's net investment in a foreign operation; and

ii. Realised gain on settlement of Treasury lock contract ("T-lock"), which was used to hedge the fluctuations in benchmark interest rate risk of the U.S. Treasury Bill yield for the issuance of USD300 million 3.375% Guaranteed Notes due 2031 under a Euro Medium Term Note Programme. A portion of the realised gain on the T-lock amounting to RM2.4 million (2025 – RM2.6 million) has been reclassified to profit or loss as an adjustment of the interest expense on the Notes during the financial year.

28.4 Other reserves

The other reserves arising from the Group's share of associates' post-acquisition other reserves.

29. BORROWINGS

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Non-current liabilities				
Unsecured				
Term loans	**526.6**	614.8	**-**	-
Islamic financing facilities	**223.4**	316.5	**223.4**	316.5
Islamic revolving credit financing facilities	**83.4**	278.9	**83.4**	278.9
Guaranteed Notes due 2031 (Note 29.1)	**1,209.8**	1,255.5	**-**	-
Finance lease obligation	**12.1**	8.8	**-**	-
	2,055.3	2,474.5	**306.8**	595.4
Current liabilities				
Unsecured				
Islamic financing facilities	**304.6**	358.7	**304.6**	358.7
Revolving credits	**22.3**	23.2	**22.3**	23.2
Trade financing	**492.2**	315.8	**-**	-
Islamic revolving credit financing facilities	**215.2**	42.2	**215.2**	42.2
Finance lease obligation	**0.3**	0.2	**-**	-
	1,034.6	740.1	**542.1**	424.1
Total borrowings	**3,089.9**	3,214.6	**848.9**	1,019.5

29.1 USD300 Million 3.375% Guaranteed Notes due 2031 ("Guaranteed Notes due 2031")

On 15 May 2012, the Company's wholly-owned subsidiary, IOI Investment (L) Berhad ("IOI Investment"), a company incorporated in the Federal Territory of Labuan under the Labuan Companies Act, 1990, established a Euro Medium Term Note Programme, with an initial programme size of USD1.5 billion ("EMTN Programme").

On 26 October 2021, IOI Investment issued USD300 million 3.375% Notes due 2031 at an issue price of 99.053% ("Guaranteed Notes due 2031") under the EMTN Programme. The Guaranteed Notes due 2031 carry an interest rate of 3.375% per annum and will mature on 2 November 2031. The Guaranteed Notes due 2031 are fully and unconditionally guaranteed by the Company.

29. BORROWINGS (Continued)

29.2 Effective interest rates

The average annual effective interest rates of the borrowings are as follows:

%	Group 2026	Group 2025	Company 2026	Company 2025
Fixed interest rates				
Term loans	**4.33 – 4.50**	4.33 – 4.50	**-**	-
Guaranteed Notes due 2031	**3.38**	3.38	**-**	-
Trade financing	**3.05 – 4.53**	3.40 – 4.55	**-**	-
Finance lease obligation	**2.00 – 2.78**	2.00	**-**	-
Floating interest rates				
Islamic financing facilities	**2.17 – 5.54**	2.17 – 6.53	**2.17 – 5.54**	2.17 – 6.53
Islamic revolving credit financing facilities	**2.46 – 5.99**	3.00 – 6.13	**2.46 – 5.99**	3.00 – 6.13
Revolving credits	**4.08 – 4.85**	2.45 – 5.85	**4.08 – 4.85**	2.45 – 5.85

29.3 Repayment schedule

The borrowings are repayable by instalments of varying amounts or upon maturity over the following periods:

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
Less than 1 year	**1,034.6**	740.1	**542.1**	424.1
1 – 2 years	**83.6**	506.4	**83.4**	506.4
2 – 5 years	**0.6**	89.6	**-**	89.0
More than 5 years	**1,971.1**	1,878.5	**223.4**	-
	3,089.9	3,214.6	**848.9**	1,019.5

29.4 Reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows

In RM million	Group 2026	Group 2025	Company 2026	Company 2025
At beginning of financial year	**3,214.6**	3,704.7	**1,019.5**	1,466.0
Cash flows				
- Islamic financing facilities	**(121.5)**	(48.3)	**(121.5)**	(48.3)
- Term loan	**(76.5)**	(4.7)	**-**	-
- Short term borrowings	**174.8**	(149.5)	**(7.2)**	(255.3)
Non-cash flows				
- Interest expense	**1.4**	1.5	**-**	-
- Acquisition of a subsidiary	**76.5**	4.7	**-**	-
- Addition in finance lease obligation	**4.2**	-	**-**	-
- Foreign currency translation differences	**(183.6)**	(293.8)	**(41.9)**	(142.9)
At end of financial year	**3,089.9**	3,214.6	**848.9**	1,019.5

30. LEASE LIABILITIES

30.1 The Group as lessee

	Group	
In RM million	**2026**	**2025**
Non-current liabilities	**39.3**	40.0
Current liabilities	**3.1**	6.5
Total lease liabilities	**42.4**	46.5

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the Group's incremental borrowing rates ranging from 4.55% to 7.09% (2025 – 4.55% to 7.09%).

After initial recognition, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessments or lease modifications.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

Lease payments for short-term leases of twelve (12) months or less and low-value assets of RM20,000 or below are recognised as rental expenses on a straight-line basis over the lease term. The amounts recognised during the financial year were not material to the Group.

30.2 Reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows

	Group	
In RM million	**2026**	**2025**
At beginning of financial year	**46.5**	60.0
Cash flows		
- Payments of lease liabilities	**(14.3)**	(15.8)
Non-cash flows		
- Additions	**7.2**	2.2
- Interest expense	**2.9**	3.3
- Reassessments and modifications of leases	**0.1**	(2.9)
- Foreign currency translation differences	**-**	(0.3)
At end of financial year	**42.4**	46.5

During the financial year, the Group had total cash outflow for leases of RM15.2 million (2025 – RM16.9 million).

31. OTHER NON-CURRENT LIABILITIES

	Group	
In RM million	**2026**	**2025**
Retirement benefits (Note 31.1)	**53.1**	55.9
Deferred income (Note 31.2)	**15.9**	18.5
	69.0	74.4

31.1 Retirement benefits

	Group	
In RM million	**2026**	**2025**
Present value of unfunded obligations	**53.1**	55.9
Recognised liability for defined benefit obligations	**53.1**	55.9

The plans of the subsidiaries are operated on an unfunded basis. The benefits payable on retirement are generally based on the length of service and average salary of the eligible employees.

The last actuarial valuations for the unfunded plans were carried out on 30 June 2024 and 30 June 2026.

Movements in the net liabilities recognised in the statements of financial position:

Present value of unfunded obligations

	Group	
In RM million	**2026**	**2025**
At beginning of financial year	**55.9**	55.1
Benefits paid	**(4.1)**	(3.7)
Expenses recognised in profit or loss (Note 10(b))	**5.6**	4.3
Re-measurements		
- Actuarial (loss)/gain recognised in other comprehensive income	**(2.0)**	1.1
Foreign currency translation differences	**(2.3)**	(0.9)
At end of financial year	**53.1**	55.9

Expenses recognised in profit or loss:

	Group	
In RM million	**2026**	**2025**
Current service cost	**3.3**	2.1
Interest cost	**2.3**	2.2
	5.6	4.3

Liability for defined benefit obligations

The Group's defined benefit obligation at the end of the reporting period was primarily determined using the principal actuarial assumption, expressed as a weighted average discount rate of 4.3% (2025 – 3.9%).

31. OTHER NON-CURRENT LIABILITIES (Continued)

31.1 Retirement benefits (Continued)

Sensitivity analysis

A 0.1% increase or decrease in the discount rate would have decreased or increased the obligation by approximately RM0.6 million (2025 – RM0.6 million) and RM0.7 million (2025 – RM0.8 million), respectively.

31.2 Deferred income

Government grant

	Group	
In RM million	**2026**	**2025**
At beginning of financial year	**18.5**	21.0
Current year amortisation charge	**(2.6)**	(2.5)
At end of financial year	**15.9**	18.5

Deferred income represents government grant received from the Malaysian Palm Oil Board to build a new fatty ester and specialty oleo derivative production facility. The grant is amortised over the remaining useful life of six (6) years of the plant.

32. TRADE AND OTHER PAYABLES

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Trade payables (Note 32.1)	**295.1**	347.0	**-**	-
Other payables and accruals (Note 32.2)	**442.9**	474.9	**58.3**	106.3
Financial guarantee contracts (Note 32.3)	**-**	-	**2.7**	3.2
	738.0	821.9	**61.0**	109.5

32.1 Trade payables

Credit terms of trade payables vary from 2 to 90 days (2025 – 1 to 90 days) from date of invoices.

32.2 Other payables and accruals

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Other payables	**218.6**	225.5	**0.9**	37.8
Customer deposits and other deposits	**2.7**	4.8	**-**	-
Accruals	**221.6**	244.6	**57.4**	68.5
	442.9	474.9	**58.3**	106.3

32. TRADE AND OTHER PAYABLES (Continued)

32.3 Financial guarantee contracts

Financial guarantee contracts are subject to forward looking expected credit loss model based on the general approach within MFRS 9 as disclosed in Note 22.2 to the financial statements.

Financial guarantee contracts issued by the Group and the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the term of a debt instrument.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantee is determined based on the present value of the different in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The nominal amounts of financial guarantee provided are as follows:

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Guarantee in respect of banking facilities granted to:				
- subsidiaries	**-**	-	**1,960.7**	2,037.2
- plasma receivables	**68.6**	56.2	**-**	-

The movements of the financial guarantee contracts during the financial year are as follows:

	Company	
In RM million	**2026**	**2025**
At beginning of financial year	**3.2**	4.1
Fair value changes on financial guarantee contracts	**(0.5)**	(0.9)
At end of financial year	**2.7**	3.2

No fair value is recognised arising from financial guarantee for banking facilities granted to plasma receivables as the amount is negligible on initial recognition. As at the end of the reporting period, there was no indication that the plasma farmers would default on repayment.

33. OTHER CURRENT LIABILITIES

	Group	
In RM million	**2026**	**2025**
Amounts due to associates (Note 33.1)	**6.7**	6.0
Current tax liabilities	**118.1**	62.1
	124.8	68.1

33.1 Amounts due to associates

Amounts due to associates represent outstanding amounts arising from purchases, advances and payments made on behalf by associates, which are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.

34. SIGNIFICANT RELATED PARTY DISCLOSURES

34.1 Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operation decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

i. Progressive Holdings Sdn Bhd, the ultimate holding company;

ii. Direct and indirect subsidiaries as disclosed in Note 38 to the financial statements;

iii. Associates and joint ventures as disclosed in Note 38 to the financial statements;

iv. Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and

v. Affiliates, companies in which the Directors are also the substantial shareholders of the Company and have substantial shareholding interests.

34.2 Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

In RM million	**2026**	**2025**
Group		
Associates		
Sales of oleochemical products and palm products		
- Bunge Loders Croklaan Group BV	**408.0**	253.3
- Fatty Chemical (Malaysia) Sdn Bhd	**722.4**	661.6
- Peter Greven Asia Sdn Bhd	**32.7**	36.0
Purchases of oleochemical products and palm products		
- Bunge Loders Croklaan Group BV	**47.1**	87.9
- Fatty Chemical (Malaysia) Sdn Bhd	**26.5**	20.9
Rental income on storage tank		
- Fatty Chemical (Malaysia) Sdn Bhd	**8.4**	8.8
Affiliates		
Purchases of palm products		
- Bukit Kelang Development Sdn Bhd	**8.0**	7.6
- GLM Emerald Industrial Park (Jasin) Sdn Bhd	**11.7**	12.2
- Nice Frontier Sdn Bhd	**24.2**	23.1
- Nice Skyline Sdn Bhd	**9.4**	9.8

34. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

34.2 Significant related party transactions (Continued)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year (Continued):

In RM million	**2026**	**2025**
Company		
Subsidiaries		
Sales of palm products		
- IOI Plantation Sdn Bhd	**5.1**	6.6
Advisory fees income		
- IOI Plantation Services Sdn Bhd	**17.9**	17.3
Management fees expenses		
- IOI Global Services Sdn Bhd	**12.7**	11.1
Interest income		
- IOI Management Sdn Bhd	**16.7**	20.4
- PT Sawit Nabati Agro	**6.2**	7.0
Interest expenses		
- IOI Management Sdn Bhd	**5.1**	5.6
- IOI Ventures (L) Berhad	**36.9**	39.7

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 30 June 2026 is disclosed in Note 16.2, Note 20.2, Note 23 and Note 33.1 to the financial statements.

34.3 Key management personnel compensation

The remuneration of Directors and other key management personnel during the financial year is as follows:

	Group		**Company**	
In RM million	**2026**	**2025**	**2026**	**2025**
Directors and other key management personnel				
Fees	**1.7**	1.6	**1.7**	1.6
Remuneration	**26.9**	23.3	**23.5**	20.2
Total short term employee benefits	**28.6**	24.9	**25.2**	21.8
Post-employment benefits	**3.1**	2.8	**2.8**	2.4
	31.7	27.7	**28.0**	24.2

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that the entities of the Group are able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity mix. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2025.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Capital of the Group comprises equity, borrowings and other long-term liabilities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, buy back shares or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2026 and 30 June 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by equity attributable to owners of the parent. The Group's net debt includes borrowings and lease liabilities less cash and cash equivalents. The Group has an appropriate target gearing ratio, which is monitored by the Group on an ongoing basis.

The Board reviews the Group's debt structure and borrowing profile at least quarterly as part of its quarterly results review process. This review forms an integral part of the Group's risk management framework, enabling the Board to assess funding requirements, refinancing and liquidity risks, maturity profiles, and overall leverage levels, while ensuring that the Group's funding strategy and capital structure remain aligned with its strategic objectives and risk appetite.

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Borrowings (Note 29)	**3,089.9**	3,214.6	**848.9**	1,019.5
Lease liabilities (Note 30.1)	**42.4**	46.5	**-**	-
	3,132.3	3,261.1	**848.9**	1,019.5
Less: Cash and cash equivalents (Note 25)	**(1,843.6)**	(1,578.4)	**(159.3)**	(214.4)
Net debt	**1,288.7**	1,682.7	**689.6**	805.1
Equity attributable to owners of the parent	**13,282.6**	12,294.0	**8,203.6**	7,585.1
Net gearing ratio (%)	**9.70%**	13.69%	**8.41%**	10.61%

36. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, price fluctuation risk, credit risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its financial performance and positions.

The Group operates within an established Enterprise Risk Management framework with clearly defined policies and guidelines, which are administered via divisional Risk Management Committees. Divisional Risk Management Committees report regularly to the Audit and Risk Management Committee, which oversees the management of risk in the Group on behalf of the Board of Directors.

36.1 Foreign currency risk

The Group operates internationally and is exposed to various currencies, mainly US Dollar ("USD"), Euro ("EUR") and Japanese Yen ("JPY"). Foreign currency denominated assets and liabilities together with expected cash flows from committed purchases and sales give rise to foreign currency exposures.

The Group's foreign currency risk management objective is to minimise foreign currency exposure that gives rise to economic impact, both at transaction and reporting period translation levels.

36. FINANCIAL INSTRUMENTS (Continued)

36.1 Foreign currency risk (Continued)

36.1.1 Risk management approach

The Group maintains a natural hedge, whenever possible, by matching foreign currency inflows and outflows, including aligning borrowings with the currency of underlying investments or revenue streams.

Where feasible, the Group would match its foreign currency borrowing with the functional currency of its foreign operations. Nevertheless, the Group considers such foreign currencies' overall fiscal position and borrowing costs before deciding on the major currency to be carried as debt in its book. In this regard, the Group has major foreign currency borrowings denominated in USD, EUR and JPY, which do not necessarily match all the functional currencies of its foreign operations. Where appropriate, exposures from mismatch in foreign currency borrowings are hedged with Cross Currency Swap.

Foreign currency exposures in transactional currencies other than the functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged with derivative financial instruments such as forward foreign exchange contracts on a back-to-back basis.

In general, currency exposure from foreign investments and borrowings is managed centrally at the Group HQ level, whilst currency exposure arising from transactions or contractual obligations is managed at the respective entity or business unit's level. The Group adopts a uniform Foreign Exchange Risk Hedging Policies & Guidelines, which sets out the authority and limits for inception of foreign currency derivatives; types of approved foreign currency derivatives; acceptable hedging practices and methods; and over-sight structure and controls.

Foreign currency exposures and related hedging instruments are monitored on a regular basis to ensure compliance with policy requirements and effectiveness of hedging activities.

36.1.2 Foreign currency risk exposure

The analysis of the Group's and the Company's foreign currencies long/(short) positions for each class of financial instruments with separate lines on currency derivative is as follows:

In RM million	2026		2025	
Maturity	**< 1 year**	**> 1 year**	**< 1 year**	**> 1 year**
Financial assets/(liabilities) in foreign currencies				
Group				
USD	**(1,025.1)**	**(2,072.3)**	(930.1)	(2,427.6)
EUR	**(267.9)**	**(192.9)**	(183.9)	(209.2)
JPY	**(13.5)**	**-**	(12.4)	-
Others	**82.7**	**-**	172.1	-
Company				
USD	**(256.9)**	**(755.4)**	(121.1)	(957.8)
EUR	**(141.2)**	**(192.9)**	(100.3)	(209.2)
Others	**89.2**	**-**	169.6	-

36. FINANCIAL INSTRUMENTS (Continued)

36.1 Foreign currency risk (Continued)

36.1.2 Foreign currency risk exposure (Continued)

i. The Group is net short in USD by USD0.8 billion (equivalent to RM3.1 billion) (2025 – net short by USD0.8 billion (equivalent to RM3.4 billion)) and net short in EUR by EUR0.1 billion (equivalent to RM0.5 billion) (2025 – net short by EUR0.1 billion (equivalent to RM0.4 billion)), where USD0.5 billion (equivalent to RM2.1 billion) (2025 – USD0.6 billion (equivalent to RM2.4 billion)) and EUR0.1 billion (equivalent to RM0.2 billion) (2025 – EUR0.1 billion (equivalent to RM0.2 billion)) are due beyond twelve (12) months. These short positions are expected to be met from their future revenue stream mainly denominated in USD and EUR; and

ii. The foreign currency long-short mismatch between forward commodity contracts (as hedge items) and foreign currency forward derivatives (as hedging instruments) is attributed to intragroup forward commodity sales and purchases that give rise to net currency exposure at the entity level. Foreign currency long-short position from forward commodity contracts of both related entities are eliminated on consolidation (but not necessarily its fair value gain or loss arising from foreign currency) i.e. leaving behind the currency long-short on foreign currency forward derivatives.

The cross currency swap contracts of the Group and of the Company are as follows:

Group

Cross currency swaps contract to swap JPY liability of JPY21.0 billion to USD liability of USD182.7 million (2025 – swap JPY liability of JPY21.0 billion to USD liability of USD182.7 million). These were entered into as a cash flow hedge for the Group's principal repayment for the JPY loan obtained. The effective period for these cross currency swaps is from January 2007 to February 2038.

Group and Company

Cross currency swaps contract to swap USD liability of USD27.5 million to fixed rate EUR liability of EUR24.3 million (2025 – swap USD liability of USD55.0 million to fixed rate EUR liability of EUR48.6 million). This was entered into as a net investments hedge against the Group's Euro denominated assets. The effective period for this cross currency swaps is from December 2021 to December 2026.

Cross currency swaps contract to swap USD liability of USD27.5 million to floating rate EUR liability of EUR23.6 million. This was entered into as a net investments hedge against the Group's Euro denominated assets. The effective period for this cross currency swaps is from December 2025 to December 2032.

36.1.3 Sensitivity analysis

The Group's and the Company's exposure to foreign currency risk is primarily from foreign currency denominated borrowings, deposits and cash and bank balances. A 1,000 pips increase or decrease in foreign currency rate of foreign currency denominated borrowings, deposits and cash and bank balances would have equally decreased or increased the profit for the Group and the Company by approximately RM56.3 million (2025 – RM58.7 million) and RM12.9 million (2025 – RM17.3 million) respectively.

The effect to the equity of the Group and the Company are not presented as they are not affected by the changes in the exchange rates.

36. FINANCIAL INSTRUMENTS (Continued)

36.2 Interest rate risk

The Group's interest rate risk arises from its interest bearing financial instruments that could impact fair value and future cash flows due to fluctuation in market interest rates.

The Group's objective on interest rate risk management is to achieve a balance in repricing risks and the optimisation of its cost of funds whilst ensuring sufficient liquidity to meet funding needs.

36.2.1 Risk management approach

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in long term funding rates for long term investments.

Funds held for liquidity purposes and temporary surpluses are placed in short term interest bearing financial instruments. Changes in market interest rates will be re-priced immediately into these floating interest bearing financial instruments.

36.2.2 Interest rate risk exposure

The following tables set out the carrying amounts as at the end of the financial year and the remaining repricing brackets of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Interest bearing financial assets				
Fixed rate instruments	**343.5**	313.8	**145.3**	185.0
Floating rate instruments	**1,501.7**	1,271.3	**906.9**	678.8
Total assets repricing	**1,845.2**	1,585.1	**1,052.2**	863.8
Interest bearing financial liabilities				
Fixed rate instruments	**(2,292.0)**	(2,255.7)	**(742.3)**	(771.3)
Floating rate instruments	**(848.9)**	(1,019.5)	**(943.9)**	(1,134.5)
Total liabilities repricing	**(3,140.9)**	(3,275.2)	**(1,686.2)**	(1,905.8)
Net repricing gap	**(1,295.7)**	(1,690.1)	**(634.0)**	(1,042.0)

i. The interest rate swap contract of the Group and of the Company is as follows:

Interest rate swap contract to swap notional principal amount of USD12.5 million (2025 – USD25.0 million) from floating interest rate to fixed interest rate to hedge against interest rate fluctuations. USD12.5 million of the interest rate swap will mature in December 2026.

ii. The Treasury lock contract of the Group is as follows:

Treasury lock contract used to hedge the fluctuation in benchmark U.S. Treasury Bill yield for the issuance of USD300 million 3.375% Guaranteed Notes due 2031 under a Euro Medium Term Note Programme.

36. FINANCIAL INSTRUMENTS (Continued)

36.2 Interest rate risk (Continued)

36.2.3 Sensitivity analysis

Sensitivity analysis on interest rate is applied on floating rate financial instruments (after taking into consideration of interest rate swap) only, as the carrying amount of fixed rate financial instruments are not affected by changes in interest rates.

A 50 basis points increase or decrease in interest rates would have equally increased or decreased the profit for the Group by approximately RM4.2 million (2025 – RM3.0 million) and equally increased or decreased the profit for the Company by approximately RM0.8 million (2025 – RM0.5 million) respectively.

The effect to the equity of the Group and the Company are not presented as they are not affected by the changes in the interest rates.

36.3 Price fluctuation risk

The Group's plantation and resource-based manufacturing segments are exposed to price fluctuation risk on sales and purchases of vegetable oil commodities. These two (2) operating segments enter into forward and futures contracts ("commodity contracts") with the objective of managing and hedging their respective exposures to price volatility in the commodity markets.

The Group's objective on price risk management is to limit the Group's exposure to fluctuations in market prices and to achieve expected margins on revenue.

36.3.1 Risk management approach

The Group manages its price fluctuation risk by having strict policies and procedures governing forward and futures positions with dynamic limits on volume and tenure, mark-to-market ("MTM") losses, and on approvals.

The Group's marketing and trading activities are centrally managed, with regular monitoring of long-short positions and MTM exposures. These positions are reported to senior management to facilitate effective oversight and timely risk management.

36. FINANCIAL INSTRUMENTS (Continued)

36.3 Price fluctuation risk (Continued)

36.3.2 Price risk exposure

Detailed in the table below is a summary of the Group's and the Company's financial instruments subject to price risk along with their contract values and MTM fair value on closing, plus fair value recognised over the financial year.

	Contract/Notional amount			Fair value attributed to price changes at period closing		
In RM million	**< 1 year**	**> 1 year**	**Total**	**< 1 year**	**> 1 year**	**Total**
Group						
2026						
Commodity based						
Forward sales contracts	**(359.2)**	**-**	**(359.2)**	**5.3**	**-**	**5.3**
Forward purchase contracts	**169.2**	**-**	**169.2**	**(3.2)**	**-**	**(3.2)**
Commodity futures	**(651.1)**	**-**	**(651.1)**	**13.1**	**-**	**13.1**
Equity based						
Other investments	**70.7**	**-**	**70.7**	**70.1**	**-**	**70.1**
				85.3	**-**	**85.3**
2025						
Commodity based						
Forward sales contracts	(379.1)	-	(379.1)	4.6	-	4.6
Forward purchase contracts	170.2	-	170.2	2.7	-	2.7
Commodity futures	79.5	-	79.5	7.9	-	7.9
Equity based						
Other investments	70.7	-	70.7	71.2	-	71.2
				86.4	-	86.4
Company						
2026						
Equity based						
Other investments	**1.4**	**-**	**1.4**	**0.8**	**-**	**0.8**
				0.8	**-**	**0.8**
2025						
Equity based						
Other investments	1.4	-	1.4	0.6	-	0.6
				0.6	-	0.6

36.3.3 Sensitivity analysis

The Group's exposure to price volatility was derived from palm products and other investments. If the price changes by 7.5%, profit or loss for the Group and the Company would have equally increased or decreased by approximately RM57.7 million (2025 – RM4.3 million) and RM0.1 million (2025 – nil) respectively.

The effect to the equity of the Group and the Company are not presented as they are not affected by the price volatility.

36. FINANCIAL INSTRUMENTS (Continued)

36.4 Credit risk

The Group's credit risk exposure is mainly related to external counterparty credit risk on monetary financial assets and trade credits.

The Group's objective on credit risk management is to avoid significant exposure to any individual customer or counterparty and to minimise concentration of credit risk.

36.4.1 Risk management approach

Credit risk or financial loss from the failure of customers or counterparties to discharge their financial and contractual obligations from trade credits is managed through the application of credit approvals, credit limits, insurance programmes and monitoring procedures on an ongoing basis.

The Group's credit risk varies with the different classes of counterparties as outlined below:

i. Plantation and resource-based manufacturing

Credit risk is managed at the business unit level, but macro Group-wide policies on the granting of credit and credit control are issued and monitored centrally, such as those relating to credit risk concentration, adequacy of formal credit rating and evaluation of counterparties, credit impairment and unit level credit control performance.

Policies and procedures

a) Customers are assessed for credit and sovereign nation risks (where applicable) prior to the approval of credit exposure and limits. Where customers are approved for forward physical contracts, limits on contractual forward periods and value are established. Regular reviews are made;

b) Credit exposure is monitored on limits and ageing, managed and reviewed periodically. Customers with emerging credit problems are identified early and remedial actions are taken promptly to minimise further exposure and to restore past due status; and

c) Where appropriate, risk is mitigated through collateral or credit enhancement such as bank guarantees, deposits, letters of credit and insurance.

ii. Financial institutions and exchanges

The monetary financial assets are generally placed with highly rated financial institutions or authorised exchanges. The Group does not extend any loans or financial guarantees to third parties except for its own subsidiaries, plasma receivables and a joint venture.

In general, all business units in the Group have a comprehensive policy that governs the need for formal credit rating system and evaluation on counterparties prior to any contractual arrangement that would result in credit risk exposure. Besides exposure amount, credit risk is also measured and monitored by way of credit quality segregation, ageing analysis, and limits breach alerts. Reviews on credit impairment needs are made quarterly based on objective evidence of loss events.

36. FINANCIAL INSTRUMENTS (Continued)

36.4 Credit risk (Continued)

36.4.2 Credit risk exposures and concentration

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables, amounts due from subsidiaries, cash and cash equivalents, deposits with financial institutions and other financial assets are represented by their respective carrying amounts as disclosed in the statements of financial position.

Receivables

The Group and the Company have a maximum exposure which approximate the carrying amount as stated in the statements of financial position less collateral received, mainly related to letters of credit, amounting to RM140.8 million and nil (2025 – RM115.9 million and nil) respectively.

In line with the expected credit loss ("ECL") impairment assessment, management has taken reasonable steps to ensure that receivables which are neither past due nor impaired are stated at their realisable values.

The credit quality of receivables is monitored through regular ageing analysis as part of the Group's credit risk management process. Receivables with significant balances that are past due beyond agreed credit terms are assessed to have higher credit risk and are subject to individual monitoring. Where there is objective evidence of increased credit risk, impairment allowances are recognised in accordance with the ECL methodology disclosed in the impairment of financial assets note.

Financial institutions and exchanges

Credit risk arising from cash and cash equivalents, deposits with financial institutions and other monetary financial assets are considered low, as the counterparties are strongly rated financial institutions or authorised exchanges.

Financial guarantee contracts

The maximum credit risk exposure arising from financial guarantees issued by the Group and the Company is limited to the credit amount utilised of RM68.6 million (2025 – RM56.2 million) and RM1,960.7 million (2025 – RM2,037.2 million) respectively. These financial guarantees are assessed to have low credit risk at the end of the reporting period, as the probability of default by subsidiaries and plasma farmers on the underlying credit facilities is considered remote.

Overall, the Group and the Company do not have any significant concentration of credit risk arising from exposure to any customer, financial institution, or counterparty.

36. FINANCIAL INSTRUMENTS (Continued)

36.4 Credit risk (Continued)

36.4.2 Credit risk exposures and concentration (Continued)

Receivables class using simplified approach

Ageing analysis of the receivables class using simplified approach is as follows:

In RM million	Current	1 – 30 days	31 – 60 days	61 – 90 days	91 – 120 days	> 120 days	Total	Estimated fair values of collateral and credit enhancement obtained
Group								
2026								
Trade receivables								
Gross receivables	**997.0**	**138.1**	**6.0**	**2.3**	**8.8**	**2.7**	**1,154.9**	**140.8**
Impairment losses	**(5.2)**	**(1.2)**	**-***	**-***	**-***	**(2.6)**	**(9.0)**	**-**
	991.8	**136.9**	**6.0**	**2.3**	**8.8**	**0.1**	**1,145.9**	**140.8**
Amounts due from associates (Trade)								
Gross receivables	**69.3**	**35.5**	**-**	**0.1**	**-**	**-**	**104.9**	**-**
Impairment losses	**(0.3)**	**(0.2)**	**-**	**-***	**-**	**-**	**(0.5)**	**-**
	69.0	**35.3**	**-**	**0.1**	**-**	**-**	**104.4**	**-**
2025								
Trade receivables								
Gross receivables	889.1	216.5	3.5	2.3	-	0.2	1,111.6	115.9
Impairment losses	(4.7)	(1.6)	-*	-*	-	-*	(6.3)	-
	884.4	214.9	3.5	2.3	-	0.2	1,105.3	115.9
Amounts due from associates (Trade)								
Gross receivables	63.4	39.8	-	-	-	-	103.2	-
Impairment losses	(0.3)	(0.2)	-	-	-	-	(0.5)	-
	63.1	39.6	-	-	-	-	102.7	-

* *The expected credit loss is immaterial.*

36. FINANCIAL INSTRUMENTS (Continued)

36.4 Credit risk (Continued)

36.4.2 Credit risk exposures and concentration (Continued)

Credit risk concentration by geographic location and business segment

The credit risk concentration of the Group is mainly in the "receivables" class, except for deposits and prepayments, and this is further analysed below to reveal the credit risk concentration by geographic location and business segment.

	Plantation		Resource-based manufacturing		Others		Total	
In RM million	Amount	%	Amount	%	Amount	%	Amount	%
Group								
2026								
Malaysia	**25.4**	**24**	**292.8**	**23**	**7.4**	**100**	**325.6**	**23**
Europe	**-**	**-**	**177.1**	**14**	**-**	**-**	**177.1**	**13**
Asia (excluding Malaysia)	**79.0**	**76**	**729.1**	**56**	**-**	**-**	**808.1**	**57**
North America	**-**	**-**	**40.2**	**3**	**-**	**-**	**40.2**	**3**
Others	**-**	**-**	**55.8**	**4**	**-**	**-**	**55.8**	**4**
	104.4	**100**	**1,295.0**	**100**	**7.4**	**100**	**1,406.8**	**100**
2025								
Malaysia	22.1	15	247.7	20	18.4	100	288.2	20
Europe	-	-	188.2	15	-	-	188.2	13
Asia (excluding Malaysia)	129.8	85	704.5	55	-	-	834.3	57
North America	-	-	42.1	3	-	-	42.1	3
Others	-	-	95.0	7	-	-	95.0	7
	151.9	100	1,277.5	100	18.4	100	1,447.8	100

	Company			
	2026		2025	
In RM million	Amount	%	Amount	%
Malaysia	**806.9**	**89**	509.5	76
Asia (excluding Malaysia)	**104.3**	**11**	160.3	24
Europe	**0.3**	**-**	0.4	-
	911.5	**100**	670.2	100

36. FINANCIAL INSTRUMENTS (Continued)

36.5 Liquidity and cash flow risk

Liquidity or cash flow risk arises when financial resources are insufficient to meet financial obligations as and when they fall due, or have to be met at excessive cost. The Group's liquidity risk includes non-financial instruments and forward contract obligations.

The Group's liquidity risk management objective is to ensure that all foreseeable funding commitments can be met as and when due and in a cost-effective manner.

36.5.1 Risk management approach

The Group maintains a centralised treasury function to optimise its weighted average cost of funding while ensuring adequate liquidity is available to support its operations and strategic objectives. The treasury management company plays a central role in managing the Group's liquidity by overseeing strategic funding requirements, taking into consideration the Group's business plans, capital commitments and expected liquidity needs. Day-to-day operational liquidity requirements are managed by individual business units, which are responsible for monitoring and managing their short-term cash flow requirements within established treasury policies and approved funding limits. The Group practises an arm's-length market based policy with regard to funding costs and encourages its business units to seek localised trade financing facilities where appropriate.

The Group manages its liquidity risk with a combination of the following methods:

i. The Group and the Company maintain a level of cash and cash equivalents and banking facilities to meet their financial liabilities and obligations maturing in the next twelve (12) months;

ii. The Group also strives to maintain a balance between long-term and short-term borrowings to ensure continuity of funding at a cost efficient manner to meet its financial obligations on a timely basis; and

iii. Financial liabilities contractual maturity periods exceeding twelve (12) months are within comfortable levels, and should be well covered by its annual free cash flows to be generated from its operations.

36. FINANCIAL INSTRUMENTS (Continued)

36.5 Liquidity and cash flow risk (Continued)

36.5.2 Liquidity risk exposure

The following table details the maturity profile of the Group's and the Company's financial liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

In RM million	**Less than 1 year**	**1 – 2 years**	**2 – 3 years**	**3 – 4 years**	**More than 4 years**	**Total**
Group						
Financial liabilities						
2026						
Trade and other payables	**668.6**	**-**	**-**	**-**	**-**	**668.6**
Borrowings	**1,139.3**	**172.4**	**85.6**	**85.6**	**2,524.2**	**4,007.1**
Lease liabilities	**8.9**	**11.2**	**7.4**	**8.3**	**94.1**	**129.9**
Amounts due to associates	**6.7**	**-**	**-**	**-**	**-**	**6.7**
Derivative liabilities – net settlement	**39.3**	**-**	**-**	**-**	**23.4**	**62.7**
	1,862.8	**183.6**	**93.0**	**93.9**	**2,641.7**	**4,875.0**
2025						
Trade and other payables	762.2	-	-	-	-	762.2
Borrowings	858.0	608.5	174.6	80.9	2,491.2	4,213.2
Lease liabilities	10.3	5.5	1.9	1.4	88.8	107.9
Amounts due to associates	6.0	-	-	-	-	6.0
Derivative liabilities – net settlement	10.6	1.4	-	-	-	12.0
	1,647.1	615.4	176.5	82.3	2,580.0	5,101.3
Company						
Financial liabilities						
2026						
Other payables	**56.2**	**-**	**-**	**-**	**-**	**56.2**
Borrowings	**569.1**	**94.4**	**7.6**	**7.6**	**238.2**	**916.9**
Amounts due to subsidiaries	**70.8**	**60.5**	**84.0**	**32.5**	**966.2**	**1,214.0**
	696.1	**154.9**	**91.6**	**40.1**	**1,204.4**	**2,187.1**
2025						
Other payables	104.5	-	-	-	-	104.5
Borrowings	461.2	527.6	93.6	-	-	1,082.4
Amounts due to subsidiaries	73.9	57.8	61.9	85.4	1,037.7	1,316.7
Derivative liabilities – net settlement	1.4	1.4	-	-	-	2.8
	641.0	586.8	155.5	85.4	1,037.7	2,506.4

Maturity profile of financial guarantee contracts of the Group and of the Company at the end of each reporting period based on contractual undiscounted obligations is payable upon any default by the plasma farmers and subsidiaries in respect of the guaranteed bank facilities of RM68.6 million (2025 – RM56.2 million) and RM1,960.7 million (2025 – RM2,037.2 million) respectively.

The Group monitors its debt covenants in annual basis to ensure compliance. As at the reporting date, the Group does not anticipate any difficulty in complying with the covenants within the next twelve (12) months.

36. FINANCIAL INSTRUMENTS (Continued)

36.6 Fair values

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Valuation inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Valuation inputs that are not based on observable market data.

	Financial instruments carried at fair value			
	Hierarchy of the underlying variable input used in measuring fair valuation			
In RM million	**Level 1**	**Level 2**	**Level 3**	**Total**
Group				
2026				
Derivatives				
Forward foreign exchange contracts	**-**	**(26.1)**	**-**	**(26.1)**
Commodity forward contracts	**-**	**2.1**	**-**	**2.1**
Commodity futures	**13.1**	**-**	**-**	**13.1**
Cross currency swap contracts	**-**	**(14.0)**	**-**	**(14.0)**
Interest rate swap contract	**-**	**0.7**	**-**	**0.7**
Equity based				
Other investments	**70.1**	**-**	**119.8**	**189.9**
Short term funds	**914.7**	**-**	**-**	**914.7**
	997.9	**(37.3)**	**119.8**	**1,080.4**
2025				
Derivatives				
Forward foreign exchange contracts	-	31.9	-	31.9
Commodity forward contracts	-	7.3	-	7.3
Commodity futures	7.9	-	-	7.9
Cross currency swap contracts	-	28.6	-	28.6
Interest rate swap contract	-	2.6	-	2.6
Equity based				
Other investments	71.2	-	110.1	181.3
Short term funds	674.1	-	-	674.1
	753.2	70.4	110.1	933.7

36. FINANCIAL INSTRUMENTS (Continued)

36.6 Fair values (Continued)

Fair value hierarchy (Continued)

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

	Financial instruments carried at fair value			
	Hierarchy of the underlying variable input used in measuring fair valuation			
In RM million	**Level 1**	**Level 2**	**Level 3**	**Total**
Company				
2026				
Derivatives				
Cross currency swap contracts	**-**	**2.6**	**-**	**2.6**
Interest rate swap contract	**-**	**0.7**	**-**	**0.7**
Equity based				
Other investments	**0.8**	**-**	**0.2**	**1.0**
	0.8	**3.3**	**0.2**	**4.3**
2025				
Derivatives				
Forward foreign exchange contracts	-	0.1	-	0.1
Cross currency swap contracts	-	(2.8)	-	(2.8)
Interest rate swap contract	-	2.6	-	2.6
Equity based				
Other investments	0.6	-	0.2	0.8
	0.6	(0.1)	0.2	0.7

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

Reconciliation of fair value measurements of Level 3 financial instruments

	Group		Company	
In RM million	**2026**	**2025**	**2026**	**2025**
Financial assets/liabilities designated at fair value through profit or loss				
At beginning of financial year	**110.1**	113.5	**0.2**	0.2
Additions	**10.4**	27.9	**-**	-
Return of capital contribution from other investments	**-**	(9.0)	**-**	-
Net fair value gain/(loss) recognised in profit or loss	**3.0**	(11.8)	**-**	-
Foreign currency translation differences	**(3.7)**	(10.5)	**-**	-
At end of financial year	**119.8**	110.1	**0.2**	0.2

36. FINANCIAL INSTRUMENTS (Continued)

36.6 Fair values (Continued)

The carrying amounts of financial assets and financial liabilities, which are not carried at fair values, would approximate their fair values as at the end of the financial year, due to their short-term nature.

The following methods and assumptions were used to estimate the fair values of financial instruments:

i. The fair values of quoted investments are their quoted market prices at the end of the financial year.

ii. The fair values of current unquoted investments are estimated using the net asset value approach based on the investee's equity and the Group's shareholding interest.

iii. The fair values of non-current unquoted equity investments are determined based on net asset value approach, with initial recognition based on transaction prices.

iv. The fair values of derivative financial instruments are determined based on the difference between the contracted price and the market price or quoted prices from reputable and credible financial services industry as at the end of the financial year.

v. The fair values of short-term funds are determined by reference to the quoted prices at the close of the business at the end of each reporting period.

36. FINANCIAL INSTRUMENTS (Continued)

36.7 Classification of financial instruments

The financial assets and financial liabilities are classified into the following categories after initial recognition for the purpose of subsequent measurement:

In RM million	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Group				
Financial assets				
2026				
Trade and other receivables, excluded deposits and prepayments	**1,284.9**	**-**	**-**	**1,284.9**
Amounts due from associates	**104.4**	**-**	**-**	**104.4**
Amount due from a joint venture	**1.5**	**-**	**-**	**1.5**
Derivative assets	**-**	**38.5**	**-**	**38.5**
Other investments	**-**	**189.9**	**-**	**189.9**
Short term funds	**-**	**914.7**	**-**	**914.7**
Deposits with financial institutions	**341.9**	**-**	**-**	**341.9**
Cash and bank balances	**587.0**	**-**	**-**	**587.0**
	2,319.7	**1,143.1**	**-**	**3,462.8**
2025				
Trade and other receivables, excluded deposits and prepayments	1,325.3	-	-	1,325.3
Amounts due from associates	102.7	-	-	102.7
Amount due from a joint venture	6.7	-	-	6.7
Derivative assets	-	90.3	-	90.3
Other investments	-	181.3	-	181.3
Short term funds	-	674.1	-	674.1
Deposits with financial institutions	307.1	-	-	307.1
Cash and bank balances	597.2	-	-	597.2
	2,339.0	945.7	-	3,284.7

36. FINANCIAL INSTRUMENTS (Continued)

36.7 Classification of financial instruments (Continued)

In RM million	Amortised cost	Fair value through profit or loss	Total
Group			
Financial liabilities			
2026			
Borrowings	**3,089.9**	**-**	**3,089.9**
Lease liabilities	**42.4**	**-**	**42.4**
Trade and other payables	**668.6**	**-**	**668.6**
Amounts due to associates	**6.7**	**-**	**6.7**
Derivative liabilities	**-**	**62.7**	**62.7**
	3,807.6	**62.7**	**3,870.3**
2025			
Borrowings	3,214.6	-	3,214.6
Lease liabilities	46.5	-	46.5
Trade and other payables	762.2	-	762.2
Amounts due to associates	6.0	-	6.0
Derivative liabilities	-	12.0	12.0
	4,029.3	12.0	4,041.3

36. FINANCIAL INSTRUMENTS (Continued)

36.7 Classification of financial instruments (Continued)

In RM million	Amortised cost	Fair value through profit or loss	Total
Company			
Financial assets			
2026			
Amounts due from subsidiaries	**907.1**	**-**	**907.1**
Amount due from a joint venture	**1.5**	**-**	**1.5**
Derivative assets	**-**	**3.3**	**3.3**
Other investments	**-**	**1.0**	**1.0**
Deposits with financial institutions	**143.7**	**-**	**143.7**
Cash and bank balances	**15.6**	**-**	**15.6**
	1,067.9	**4.3**	**1,072.2**
2025			
Amounts due from subsidiaries	660.3	-	660.3
Amount due from a joint venture	6.7	-	6.7
Derivative assets	-	2.7	2.7
Other investments	-	0.8	0.8
Deposit with a financial institution	178.3	-	178.3
Cash and bank balances	36.1	-	36.1
	881.4	3.5	884.9
Financial liabilities			
2026			
Borrowings	**848.9**	**-**	**848.9**
Other payables	**58.9**	**-**	**58.9**
Amounts due to subsidiaries	**853.0**	**-**	**853.0**
	1,760.8	**-**	**1,760.8**
2025			
Borrowings	1,019.5	-	1,019.5
Other payables	107.7	-	107.7
Amounts due to subsidiaries	902.7	-	902.7
Derivative liabilities	-	2.8	2.8
	2,029.9	2.8	2,032.7

37. COMMITMENTS

37.1 Capital commitments

	Group	
In RM million	**2026**	**2025**
Authorised capital expenditure not provided for in the financial statements		
Additions of property, plant and equipment		
- Contracted	**287.3**	298.7
- Not contracted	**519.8**	542.4
Additions of intangible assets		
- Contracted	**-**	2.1
- Not contracted	**-**	0.4

37.2 Lease commitments

37.2.1 The Group and the Company as lessor

The minimum lease payments receivable under non-cancellable operating leases contracted for as at end of the financial year but not recognised as receivables are not material to the Group and the Company.

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The subsidiaries, associates and joint ventures, incorporated and principally based in Malaysia except as otherwise stated, are as follows:

Name of Company	**Effective Group Interest**		**Principal Activities**
	2026	**2025**	
Direct Subsidiaries			
Plantation			
B. A. Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
IOI Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, plantation produce and investment holding
Pine Capital Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and investment holding
Mayvin Incorporated Sdn Bhd	**100.0%**	100.0%	Processing of palm oil and investment holding
Dynamic Plantations Berhad	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Halusah Ladang Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Ladang Sabah Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Morisem Palm Oil Mill Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Morisem Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, processing of palm oil and investment holding
Perusahaan Mekassar (M) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Syarikat Pukin Ladang Kelapa Sawit Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and processing of palm oil
Pamol Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, processing of palm oil and investment holding
Syarimo Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, processing of palm oil and investment holding
Right Purpose Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and softwood timber
Ladang Asas Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Ladang Cantawan (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Laksana Kemas Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Meriteam Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm, processing of palm oil and investment holding
Morisem Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Morisem (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Palmco Plantations (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and investment holding
Palmco Properties Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Permodalan Plantations Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm
PR Enterprise Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Priceland Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Safima Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Sakilan Desa Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Terusan Baru Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
IOI Commodity Trading Sdn Bhd	**100.0%**	100.0%	Trading of palm oil commodities

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2026	Effective Group Interest 2025	Principal Activities
Direct Subsidiaries (Continued)			
Plantation (Continued)			
IOI Palm Biotech Sdn Bhd	**100.0%**	100.0%	Commercialisation of high quality clonal ramets through tissue culturing process and its biotechnology related research and development activities
IOI Plantation Services Sdn Bhd	**100.0%**	100.0%	Provision of management services
Zonec Plus Sdn Bhd	**100.0%**	100.0%	Provision of management services
Mayvin (Sabah) Sdn Bhd	**100.0%**	100.0%	Investment holding
Lynwood Capital Resources Pte Ltd * *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Oakridge Investments Pte Ltd * *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Oleander Capital Resources Pte Ltd * *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Cantawan Oil Palms Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Fruitful Plantations Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Hill Land Sdn Bhd *(In member's voluntary winding-up)*	**100.0%**	100.0%	Investment holding ^
Sri Cantawan Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Unipamol Malaysia Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Resource-based Manufacturing			
IOI Bio-Energy Sdn Bhd	**100.0%**	100.0%	Producing and supplying palm-based renewable energy
IOI Edible Oils Sdn Bhd	**100.0%**	100.0%	Investment holding and palm oil trading and refinery
IOI Global Services Sdn Bhd	**100.0%**	100.0%	Commodities trading, international procurement of palm oil related products, provision of marketing and management services
IOI Oleochemical Industries Berhad *	**100.0%**	100.0%	Investment holding and provision of management services
IOI Loders Croklaan Procurement Company Sdn Bhd	**100.0%**	100.0%	Investment holding ^
IOI Speciality Fats Sdn Bhd	**100.0%**	100.0%	Investment holding ^
IOI Oils BV ** *(Incorporated and principally based in the Netherlands)*	**100.0%**	100.0%	Trading in oilseeds, edible oils and fats and the processing of raw materials for the edible oils and fats industry
IOI Palm Wood Sdn Bhd	**80.0%**	80.0%	Processing of oil palm trunks and other bio-matter derived from plantations to produce materials used in furniture, construction and building industries

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2026	Effective Group Interest 2025	Principal Activities
Direct Subsidiaries (Continued)			
Non-Segment			
IOI Management Sdn Bhd	**100.0%**	100.0%	Provision of treasury management services to its related companies
Kayangan Heights Sdn Bhd	**100.0%**	100.0%	Property development
Rapat Jaya Sendirian Berhad	**100.0%**	100.0%	Property development, property investment and cultivation of plantation produce
IOI Investment (L) Berhad *(Incorporated and principally based in the Federal Territory of Labuan)*	**100.0%**	100.0%	Issuance of Exchangeable Bonds
IOI Ventures (L) Berhad *(Incorporated and principally based in the Federal Territory of Labuan)*	**100.0%**	100.0%	Issuance of Guaranteed Notes
IOI Green Energy Sdn Bhd	**100.0%**	100.0%	Production and supply of renewable energy
IOI Green Tech Services Sdn Bhd	**100.0%**	100.0%	Provision of green energy technology services ^
IOI Palm Products Sdn Bhd	**100.0%**	100.0%	Manufacturing, trading of oil palm related by-products and providing business support services activities ^
IOI Paper Pulp Sdn Bhd	**100.0%**	100.0%	Investment holding
Eglinton Investments Pte Ltd # *(Incorporated and principally based in Singapore)*	**100.0%**	100.0%	Investment holding
Morisem Consolidated Sdn Bhd	**100.0%**	100.0%	Investment holding
Luminous Aspect Sdn Bhd	**100.0%**	100.0%	Investment holding
Indirect Subsidiaries			
Plantation			
Subsidiary of Mayvin (Sabah) Sdn Bhd			
Sri Mayvin Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Subsidiaries of Pine Capital Sdn Bhd			
Sri Vagas Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Ladang Tebu Batu Putih Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Sayang Segama Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Sri Yongdankong Sdn Bhd	**100.0%**	100.0%	Investment holding ^
Subsidiary of Palmco Plantations (Sabah) Sdn Bhd			
Lubah Plantations (S) Sdn Bhd	**100.0%**	-	Cultivation of oil palm

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2026	Effective Group Interest 2025	Principal Activities
Indirect Subsidiaries (Continued)			
Plantation (Continued)			
Subsidiary of Mayvin Incorporated Sdn Bhd			
Gamore Corporation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Subsidiary of Morisem Sdn Bhd			
Plus Bumimas Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Subsidiaries of Syarimo Sdn Bhd			
Agroplex (Sabah) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Maxgrand Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Mewahandal Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Syarikat Best Cocoa Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Very Good Estate Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Fastscope Development Sdn Bhd	**100.0%**	100.0%	Cultivation of softwood timber
Subsidiaries of Pamol Plantations Sdn Bhd			
IOI Organic Oils (M) Sdn Bhd	**100.0%**	100.0%	Cultivation of organic oil palm and processing of organic palm oil
Pamol Estates (Sabah) Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm, processing of palm oil and investment holding
Subsidiary of Pamol Estates (Sabah) Sdn Bhd			
Milik Berganda Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm
Subsidiaries of Oleander Capital Resources Pte Ltd			
PT Berkat Agro Sawitindo # *(Incorporated and principally based in the Republic of Indonesia)*	**100.0%**	100.0%	Management consulting services and investment holding
PT Sawit Nabati Agro # *(Incorporated and principally based in the Republic of Indonesia)*	**100.0%**	100.0%	Management consulting services and investment holding

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2026	Effective Group Interest 2025	Principal Activities
Indirect Subsidiaries (Continued)			
Plantation (Continued)			
Subsidiaries of PT Sawit Nabati Agro			
PT Bumi Sawit Sejahtera # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm and processing of palm oil
PT Berkat Nabati Sejahtera # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm
PT Kalimantan Prima Agro Mandiri # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm
PT Sukses Karya Sawit # *(Incorporated and principally based in the Republic of Indonesia)*	**95.0%**	95.0%	Cultivation of oil palm and processing of palm oil
PT Ketapang Sawit Lestari # *(Incorporated and principally based in the Republic of Indonesia)*	**100.0%**	100.0%	Cultivation of oil palm ^
Subsidiaries of IOI Plantation Sdn Bhd			
Future Growth Sdn Bhd	**100.0%**	100.0%	Cultivation, harvesting and marketing of coconut
Unico-Desa Plantations Berhad	**100.0%**	100.0%	Cultivation of oil palm, palm oil milling, sales of crude palm oil and palm kernel and investment holding
IOI Pelita Plantation Sdn Bhd	**70.0%**	70.0%	Cultivation of oil palm
Subsidiaries of Unico-Desa Plantations Berhad			
Unico Plantations Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm and investment holding
Basic Plantation (S) Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Builtec Agricultural & Development Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Gelodar Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Golden Focus Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Korop Holdings Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Zutaland Development Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Malbumi Estate Sdn Bhd	**100.0%**	-	Cultivation of oil palm
Malbumi Development Sdn Bhd	**100.0%**	-	Cultivation of oil palm
Kurnialang Corporation Sdn Bhd	**100.0%**	-	Cultivation of oil palm

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2026	Effective Group Interest 2025	Principal Activities
Indirect Subsidiaries (Continued)			
Plantation (Continued)			
Subsidiaries of Unico Plantations Sdn Bhd			
Fasgro Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Segaco Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Supercrop Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Syarikat Zuba Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Topcrop Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Tutico Plantation Sdn Bhd	**100.0%**	100.0%	Cultivation of oil palm
Unico Oil Mill Sdn Bhd	**100.0%**	100.0%	Processing of palm oil
Resource-based Manufacturing			
Subsidiaries of IOI Oleochemical Industries Berhad			
IOI Acidchem Sdn Bhd *	**100.0%**	100.0%	Manufacture and sale of fatty acids, soap noodles, glycerine and other related products
IOI Derichem Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
IOI Esterchem (M) Sdn Bhd *	**100.0%**	100.0%	Manufacturing and trading of fatty esters
IOI Pan-Century Edible Oils Sdn Bhd *	**100.0%**	100.0%	Refining and processing of crude palm oil, coconut oil and any other vegetable oil for sale to local and overseas market
IOI Pan-Century Oleochemicals Sdn Bhd *	**100.0%**	100.0%	Manufacturing of oleochemical products, animal feed products and soap noodles
Palmco Oil Mill Sendirian Berhad *	**100.0%**	100.0%	Sale of crude palm kernel oil, crude palm kernel olein and renting of storage tanks
Stabilchem (M) Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Subsidiaries of IOI Acidchem Sdn Bhd			
IOI Oleo GmbH * *(Incorporated and principally based in Germany)*	**100.0%**	100.0%	Manufacture and sale of oleochemical specialty products
Acidchem (USA) Inc * *(Incorporated and principally based in the United States of America)*	**100.0%**	100.0%	Trading in fatty acids and glycerine
Subsidiaries of IOI Oleo GmbH			
KetoLipix Therapeutics GmbH ** *(Incorporated and principally based in Germany)*	**100.0%**	100.0%	Development of proprietary keto-ester portfolio
IOI Oleo Beteiligungs GmbH ** *(Incorporated and principally based in Germany)*	**100.0%**	100.0%	Holding and management of its own assets, shareholdings in the chemical and pharmaceutical products business ^

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2026	Effective Group Interest 2025	Principal Activities
Indirect Subsidiaries (Continued)			
Resource-based Manufacturing (Continued)			
Subsidiary of IOI Oleo Beteiligungs GmbH			
IOI Oleo U.S. Corp ** *(Incorporated and principally based in the United States of America)*	**100.0%**	100.0%	Dormant
Non-Segment			
Subsidiaries of IOI Oleochemical Industries Berhad			
Palmco Jaya Sendirian Berhad *	**100.0%**	100.0%	Provision of bulk cargo warehousing facilities
Palmco International (HK) Limited * *(Incorporated and principally based in Hong Kong)*	**100.0%**	100.0%	Investment holding
Palmco Management Services Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Palmina Sendirian Berhad *	**100.0%**	100.0%	Investment holding ^
Pamol Bintang Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Performance Chemicals (M) Sdn Bhd *	**100.0%**	100.0%	Investment holding ^
Quantum Green Sdn Bhd *	**100.0%**	100.0%	Provision of management services
Subsidiaries of Palmco International (HK) Limited			
Palmco Engineering Limited * *(Incorporated and principally based in Hong Kong)*	**100.0%**	100.0%	Investment holding ^

Notes:

* *Not audited by BDO PLT and member firms of BDO International.*

** *Statutory audit not required as at 30 June 2026.*

\# *Audited by member firms of BDO International.*

^ *The companies remained dormant during the financial year.*

On 9 June 2026, IOI Oleo GmbH, an indirect wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement for the acquisition of 51,200 shares, representing 100% of the issued and paid-up share capital of Imperial-Oel-Import Handelsgesellschaft mbH (the "Acquisition"). The purchase consideration for the Acquisition was EUR9.6 million, subject to closing date adjustments and a potential earn-out of up to EUR1.6 million based on the achievement of specified Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") targets. The Acquisition was completed on 1 July 2026.

On 9 July 2026, pursuant to a Capital Increase and Shareholders' Contract entered into between IOI Acidchem Sdn. Bhd. ("IOI Acidchem"), an indirect wholly-owned subsidiary of the Company, and Tianjin Worldlang International Trading Co., Ltd., IOI Acidchem acquired a 70% equity interest in Tianjin Palmco Oil & Fats Co., Ltd. ("Tianjin Palmco Oil") for a total consideration of RMB56.9 million (equivalent to approximately RM34.0 million). Following the acquisition, Tianjin Palmco Oil became an indirect subsidiary of the Company. Tianjin Palmco Oil is a company incorporated in the People's Republic of China and is principally engaged in the manufacture and sale of oleochemical derivative products.

38. LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Continued)

Name of Company	Effective Group Interest 2026	Effective Group Interest 2025	Principal Activities
Associates			
Plantation			
Reka Halus Sdn Bhd	**30.0%**	30.0%	Cultivation of oil palm and processing of palm oil
Associate of Lynwood Capital Resources Pte Ltd and Oakridge Investments Pte Ltd			
Bumitama Agri Ltd *(Incorporated and principally based in Singapore)*	**32.1%**	32.1%	Investment holding
Resource-based Manufacturing			
Bunge Loders Croklaan Group BV *(Incorporated and principally based in the Netherlands)*	**20.0%**	20.0%	Investment holding
Associates of IOI Oleochemical Industries Berhad			
Fatty Chemical (Malaysia) Sdn Bhd	**30.0%**	30.0%	Manufacturing and sale of fatty alcohols, refined glycerine and olefin
Kao Plasticizer (Malaysia) Sdn Bhd	**30.0%**	30.0%	Manufacturing and sale of plasticizer products
Peter Greven Asia Sdn Bhd	**40.0%**	40.0%	Production, marketing and distribution of metallic stearates
Malaysia Pakistan Venture Sdn Bhd	**25.0%**	25.0%	Investment holding
Joint Ventures			
Resource-based Manufacturing			
Adeka Foods (Asia) Sdn Bhd	**40.0%**	40.0%	Manufacturing of margarine, shortening and fat spreads
IOI Coconut Oil Sdn Bhd [%]	**65.0%**	100.0%	Processing of copra, crude coconut oil and other related coconut products
Joint Venture of Luminous Aspect Sdn Bhd			
Rosa RE Pte Ltd *(Incorporated and principally based in Singapore)*	**20.0%**	20.0%	Generation of electricity by other sources (e.g. solar power, biofuels etc.)
Joint Venture of IOI Paper Pulp Sdn Bhd			
Nextgreen IOI Pulp Sdn Bhd	**45.0%**	45.0%	Manufacturing, import, export and trading of pulp
Joint Venture of IOI Corporation Berhad			
NeuWhite Paper Pulp Sdn Bhd	**33.7%**	33.7%	Manufacturing, import, export and trading of pulp

Note:

[%] *On 6 November 2025, the Company, IOI Coconut Oil Sdn. Bhd. ("IOI Coconut Oil"), then a wholly-owned subsidiary of the Company, and Mega Star Holding Pte. Ltd ("Mega Star") entered into a Shareholders' Agreement in relation to the development of a coconut processing facility. Following Mega Star's subscription for a 35% equity interest in IOI Coconut Oil, IOI Coconut Oil ceased to be a wholly-owned subsidiary and became a joint venture of the Company, with the Company and Mega Star holding 65% and 35% equity interests in IOI Coconut Oil, respectively.*

39. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 30 June 2026 were authorised for issue by the Board of Directors on 28 August 2026.

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 151 to 238 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors:

Tan Sri Abdul Wahid bin Omar
Independent Non-Executive Chairman

Dato' Lee Yeow Chor
Group Managing Director and Chief Executive

Putrajaya
28 August 2026

Statutory Declaration

I, Kong Kian Beng (CA 19179) being the officer primarily responsible for the financial management of IOI Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 151 to 238 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed)
at Puchong, Selangor Darul Ehsan) **Kong Kian Beng**
this 28 August 2026)

Before me

Lim Cin Wei
Commissioner for Oaths
No. B 630

Independent Auditors' Report to the Members of IOI Corporation Berhad

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IOI Corporation Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 151 to 238.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment assessment of the carrying amounts of goodwill

Goodwill of the Group is allocated to two (2) Cash-generating Units ("CGUs") identified according to the operating segments. Management has considered plantation and resource-based manufacturing as the operating segments of the Group, with carrying amounts of goodwill of RM152.7 million and RM208.7 million respectively as disclosed in Note 15.1 to the financial statements. There was no impairment loss on goodwill during the financial year.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and underlying key assumptions applied to cash flow forecasts of the CGUs in determining the recoverable amounts. These underlying key assumptions include forecasted revenue growth rates, profit margins and terminal growth rate as well as determining an appropriate pre-tax discount rate.

Our audit procedures included the following:

(i) compared prior period forecasts to actual outcomes to assess reliability of management forecasting process;

(ii) evaluated key assumptions applied in management impairment assessment by comparing to historical trends and relevant market outlook information;

(iii) evaluated pre-tax discount rate used by management for each CGU to the weighted average cost of capital of the Group and its relevant risk factors; and

(iv) performed sensitivity analysis on management's key assumptions.

Independent Auditors' Report to the Members of IOI Corporation Berhad
(Incorporated in Malaysia)

Key Audit Matters (Continued)

(b) Fair value measurement of derivative financial instruments

The Group and the Company use derivative financial instruments such as forward foreign exchange contracts, commodity forward contracts and futures, cross currency swap contracts and interest rate swap contracts to hedge their risks associated with foreign currency, commodity price fluctuations and interest rates, as set out in Note 18 to the financial statements.

The determination of the fair values of the derivative financial instruments is a key audit matter due to the volume of trades entered into and it involves significant judgements and is subject to estimation uncertainty as subjective variables are applied to derive the fair values.

Our audit procedures included the following:

(i) obtained an understanding on the overall commodity trading process and treasury function of derivative financial instruments;

(ii) read and discussed with management on the analysis of the contractual terms and evaluated the accounting treatments adopted by management, including the reasons for entering into derivative financial instruments;

(iii) evaluated and compared the key inputs used to determine the fair value against observable market data, where applicable; and

(iv) vouched to statements and/or confirmations from banks and other financial institutions to compare the fair values of the derivative financial instruments recorded in the accounting system, where applicable.

(c) Impairment assessment of property, plant and equipment of IOI Palm Wood Sdn Bhd ("IOI Palm Wood") and cost of investment of the Company in IOI Palm Wood

As at 30 June 2026, the carrying amount of property, plant and equipment of IOI Palm Wood amounted to RM85.7 million as disclosed in Note 14 to the financial statements and the cost of investment of the Company in IOI Palm Wood amounted to RM113.7 million as disclosed in the Note 16.1 to the financial statements. Management performed an impairment assessment of these assets using discounted cash flow forecasts and concluded that no additional impairment was required as at 30 June 2026.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and underlying key assumptions applied to cash flow forecasts in determining the recoverable amount of the property, plant and equipment in IOI Palm Wood and cost of investment of the Company in IOI Palm Wood. The underlying key assumptions include forecasted revenue growth rates and profit margins as well as determining an appropriate pre-tax discount rate.

Our audit procedures included the following:

(i) compared prior period forecasts to actual outcomes to assess reliability of management forecasting process;

(ii) compared cash flow forecast against recent performance, and assessed and compared the key assumptions in forecasts to relevant market outlook information, where applicable;

(iii) evaluated key assumptions applied in the impairment assessment by assessing evidence available to support these assumptions; and

(iv) evaluated pre-tax discount rate used by management to the weighted average cost of capital of the Group and its relevant risk factors.

Independent Auditors' Report to the Members of IOI Corporation Berhad
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and take appropriate action.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report to the Members of IOI Corporation Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Continued):

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 38 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Rejeesh A/L Balasubramaniam
02895/08/2028 J
Chartered Accountant

Kuala Lumpur
28 August 2026