Operations and Financial Review

	FY 2022	FY 2023	**FY 2024**
INCOME STATEMENT (US$'million)			
Revenue	5,429	4,124	**4,782**
Operating margin	300.9	201.1	**206.6**
Profit after tax	113.6	40.6	**38.8**
Earnings per share (US cents per share)	7.57	2.70	**2.59**
BALANCE SHEET (US$'million)			
Long-term investments	447	491	**517**
Working capital	766	555	**826**
Total investments	**1,213**	**1,046**	**1,343**
Equity	775	786	**824**
Gross debt	541	392	**662**
Cash	103	132	**143**
Net debt (Gross debt less Cash)	438	260	**519**
Total capital	**1,213**	**1,046**	**1,343**
Gross debt to equity	0.70	0.50	**0.80**
Net debt to equity	0.57	0.33	**0.63**
Net asset value per share (US cents per share)	51.30	52.23	**54.97**
SEGMENTAL PERFORMANCE			
Sales volume (MT'000)			
Bulk	3,124	3,156	**3,608**
Consumer Pack	1,169	1,179	**1,174**
Total	**4,293**	**4,335**	**4,782**
Operating margin (US$'million)			
Bulk	215.9	101.4	**96.3**
Consumer Pack	85.0	99.7	**110.3**
Total	**300.9**	**201.1**	**206.6**
Operating margin per MT (US$)			
Bulk	69.1	32.1	**26.7**
Consumer Pack	72.7	84.6	**93.9**
Total	**70.1**	**46.4**	**43.2**

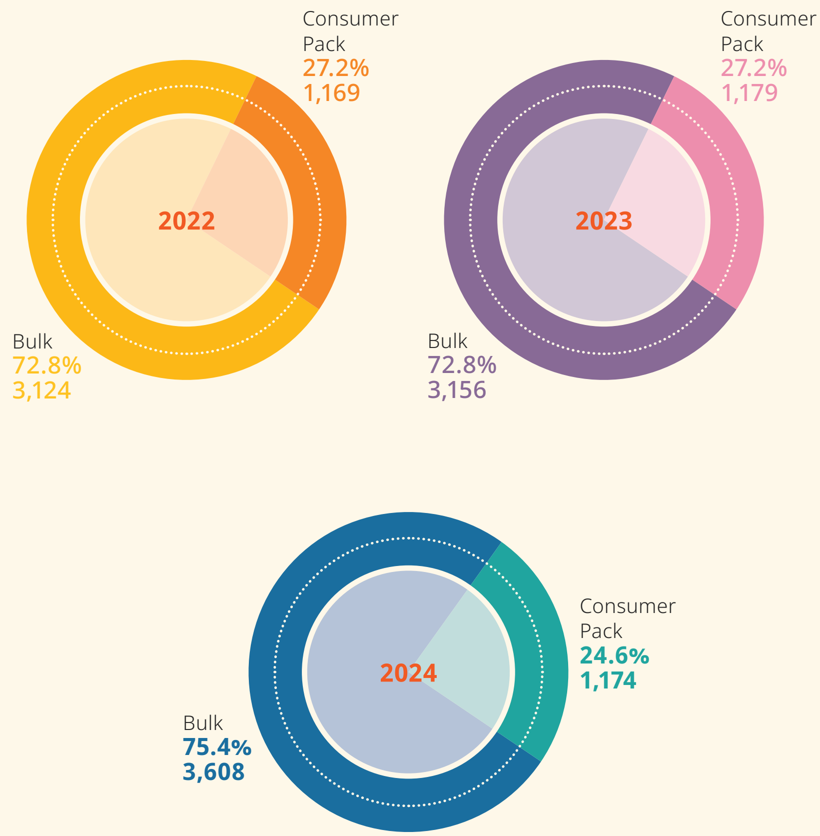
PALM OIL INDUSTRY IN 2024

For the full year, the average crude palm oil ("**CPO**") price stood at US$927 (RM4,228) per tonne, marking an approximate 10% increase from US$844 (RM3,842) per tonne recorded in the previous year. Throughout 2024, CPO prices exhibited significant volatility, reaching a low of US$784 (RM3,629) per tonne in January before surging to a peak of US$1,209 (RM5,342) per tonne in December, eventually closing the year at US$1,101 (RM4,923) per tonne. The upward trend in the average prices of oil palm products was primarily fueled by robust export demand, declining palm oil stock levels, and Indonesia's anticipated rollout of the B40 biofuel program in 2025. The reduction in palm oil inventories was largely attributed to heightened export activity, which further tightened supply and supported price increases.

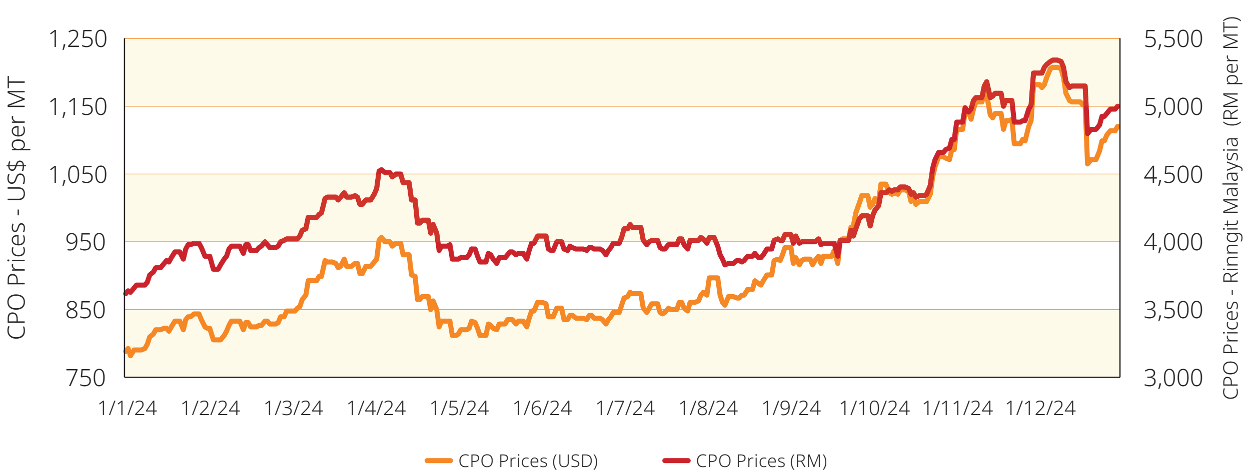
GROUP'S SALES VOLUME

The Group's sales volume increased by 10.3% to 4,781,800 MT. The Bulk segment accounted for 75.4% of this total, registering a 14.3% increase to 3,607,700 MT. Meanwhile, the Consumer Pack segment comprised 24.6% of the total sales volume, registering a 0.4% decrease to 1,174,100 MT.

SALES VOLUME (MT'000)



CPO PRICES (Ringgit and US Dollar)



WELL DIVERSIFIED SALES REVENUE

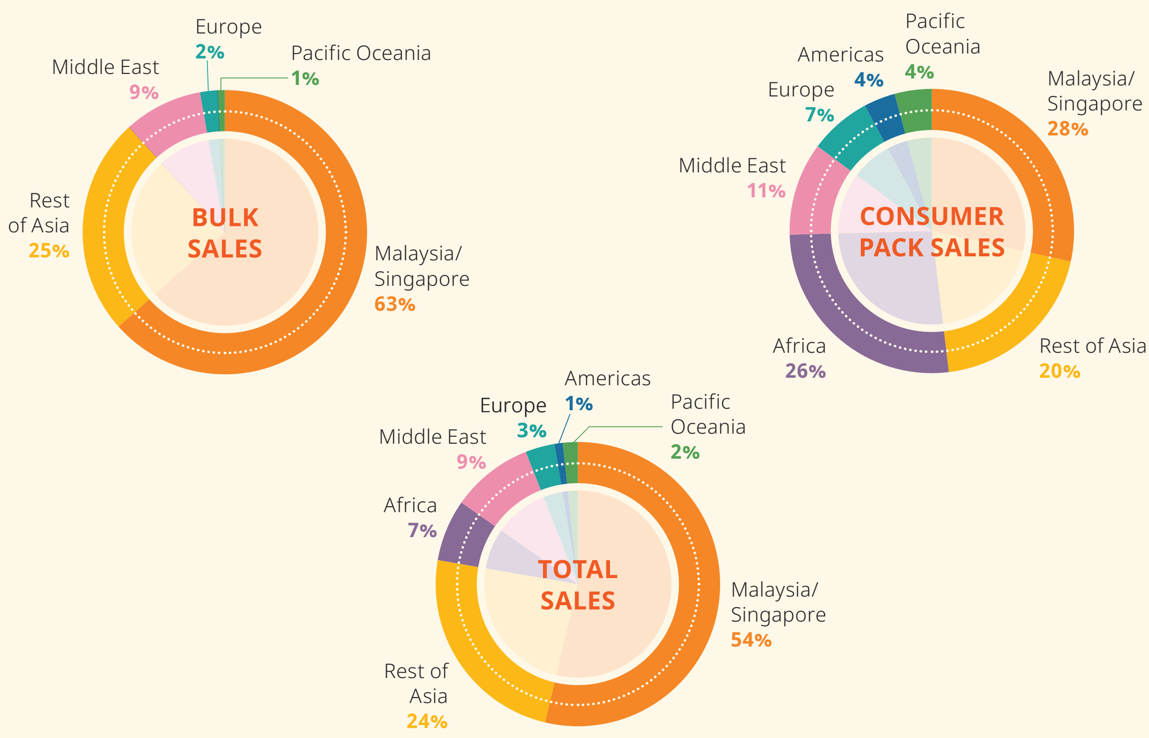
The Group reported sales revenue of US$4,782.0 million, reflecting a 16.0% year-on-year increase. This growth was primarily driven by a 5.1% increase in selling prices, coupled with a 10.3% increase in sales volume.

The Bulk segment accounted for 73.6% of total revenue, amounting to US$3,518.5 million, a 21.9% increase from the previous year. Meanwhile, the Consumer Pack segment contributed 26.4% of total revenue, amounting to US$1,263.5 million, with a 2.1% year-on-year growth.

The Group maintains a diverse global sales footprint, with products sold in over 140 countries in 2024. Notably, 46% of total sales were destination sales to customers outside Malaysia and Singapore. These sales were well-distributed, with contributions from the Rest of Asia, 24%, Africa, 7%, the Middle East, 9%, and the Rest of the World, 6%.

Within the Bulk segment, 37% of total sales were to destination markets, with the Rest of Asia, 25%, the Middle East, 9%, and the Rest of the World, 3%. In the Consumer Pack segment, 72% of total sales were to destination markets, demonstrating a well-diversified customer base. Sales were distributed across Africa, 26%, the Rest of Asia, 20%, the Middle East, 11%, Europe, 7%, and the Rest of the World, 8%.

GEOGRAPHICAL SPREAD*



* Based on billing addresses of the customers

OPERATING MARGINS

The Group has developed a large integrated food and agribusiness model over the last several decades by investing in both the midstream and downstream segments of the value chain within the attractive vegetable oil industry. Our economies of scale provide us with inherent operational flexibility. Over these years, we have developed sound risk management practices, enhanced our logistics and global distribution capabilities, and established our own consumer pack brands such as MOI and OKI. All these efforts have helped us deliver robust operating margins during normal industry conditions and resilient margins during tough economic cycles.

The Group measures and tracks performance in terms of Operating Margin per MT of sales volume and the resultant total operating margin ("**OM**"). OM is calculated as revenue, less cost of sales (excluding depreciation), selling and distribution expenses, (allowance for)/ reversal of expected credit losses of trade receivables, and foreign exchange gains/ (losses).

For the full year, the Group achieved a total operating margin of US$206.6 million, representing a 2.7% increase compared to the previous year. On a per MT basis, the operating margin stood at US$43.2, compared to US$46.4 in the prior year.

With the commencement of operations for our strategic investment in Indonesia in July 2024, the Bulk segment recorded a 14.3% increase in sales volume. However, its operating margins declined by 5.0% year-on-year, impacted by challenging market conditions leading to lower prevailing refining margins. While the Bulk segment faced margin pressures, the Consumer Pack segment demonstrated strong growth, underscoring the resilience of its diversified portfolio and global distribution network. The Consumer Pack segment achieved a record total operating margin of US$110.3 million, marking a 10.6% year-on-year increase.

The selling and distribution expenses increased US$41.3 million mainly due to higher sales volume on products subjected to export duty primarily originating from the export sales made by the new manufacturing plant in Indonesia. The selling and distribution expenses are generally passed-on to customers through the selling prices. The amounts may vary from period to period depending on the sale-terms with the customers.

Bulk and Consumer Pack segments contributed 46.6% and 53.4% of total operating margin respectively.

NET PROFIT

For the full year, the Group reported a net profit attributable to equity holders of US$38.8 million, reflecting a 4.4% decline from the previous year.

STRONG BALANCE SHEET

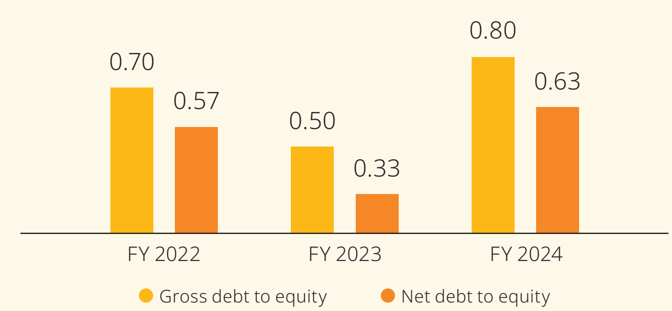
We actively manage our capital structure by maintaining a prudent debt-to-equity ratio. To support our long-term investments and working capital, we maintain a healthy combination of (i) equity (ii) non-current debt and (iii) current debt.

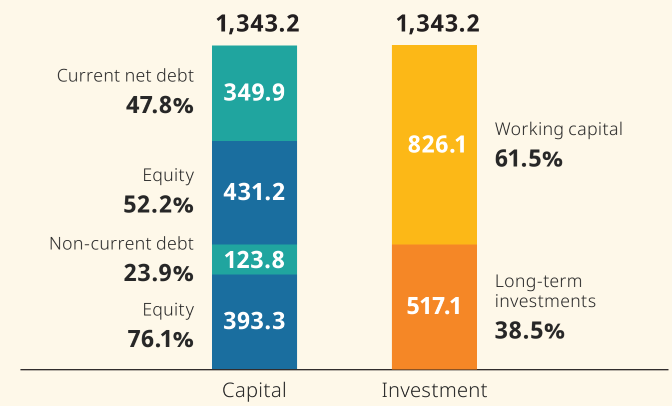
As of 31 December 2024, we had a gross debt-to-equity ratio of 0.80 and a net debt-to-equity ratio of 0.63. Our low net debt-to-equity ratio provides us with ample flexibility to raise additional debt in support of our growth plans or to utilise additional trade finance as required by business needs.

As of 31 December 2024, the Group's total equity stood at US$824.5 million, further strengthening its balance sheet. Long-term investments totaling US$517.1 million have been prudently funded, with 76.1% financed by equity and 23.9% by non-current debt. Additionally, the Group's working capital of US$826.1 million was funded 47.8% by current net debt, with the remaining 52.2% supported by equity. The Board of Directors regularly reviews the Group's capital structure and our long-term-to-short-term debt mix to ensure they are appropriately aligned with our long-term strategic objectives.

The increase in palm oil prices in the fourth quarter of 2024, the commencement of a new manufacturing plant in Indonesia, and higher revenue from products such as cocoa led to an increase in working capital requirements by US$270.6 million to US$826.1 million. Correspondingly, gross debt rose by US$270.0 million to US$661.6 million as of 31 December 2024.

Nevertheless, the Group's liquidity position remained strong with a current ratio of 1.52, reflecting effective working capital management.





We consistently ensure adequate working capital credit facilities to support our business needs. As of year-end, 60.5% of the total available credit facilities were utilised.

The Group's cycle time, calculated as inventory days plus trade receivables days minus trade payables days, extended slightly to 69 days, compared to 58 days in the previous year. This increase was primarily driven by higher average commodity prices and additional working capital requirements arising from expanded production capacity in Indonesia. Despite this, the Group continues to effectively manage working capital across its operations.