Astute
Fund Management

Portfolio Manager's Views

Why we like Innoprise Plantations Berhad?

15 September 2026

www.astutefm.com.my

1. Executive Summary

1 **Special Feature: Why do we like Innoprise Plantations?** (Refer to pages 3-5)

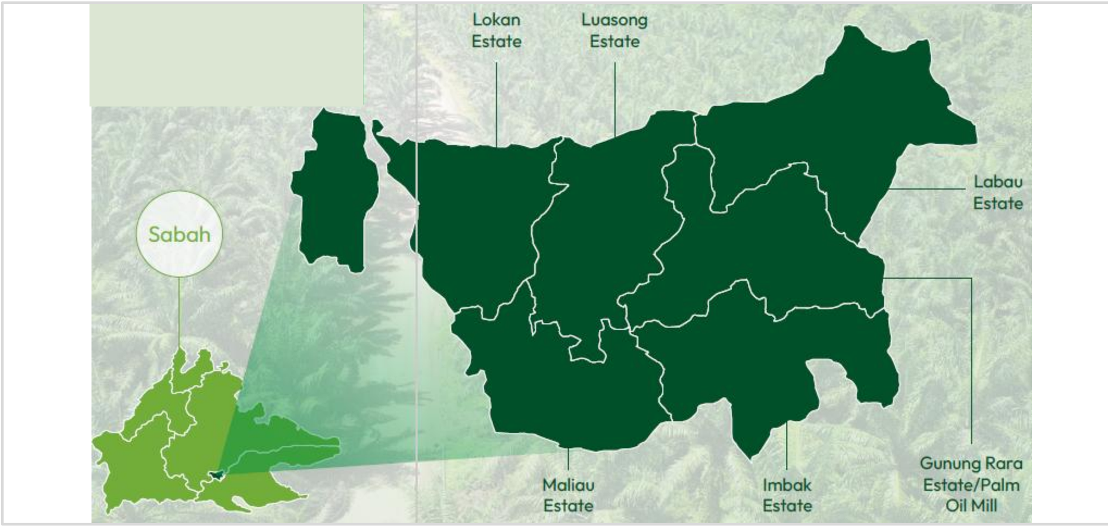
2 **Global equities edged higher in Aug-26, with the MSCI World returning +2.5% MoM.** The S&P 500 gained +2.6% MoM on a strong 2Q26 earnings season. 2026 MSCI world earnings growth estimates rose to 25.7% from 22.9% in July. This was tempered by rising long-end U.S. Treasury yields. The 30-year hit 5.31%, it's highest level since 2007. U.S. debt topped $40tn for the first time, driving the surge. This prompted Treasury Secretary Bessent to announce a major bond buyback.

3 **The FBM KLCI ended Aug-26 flat at +0.06% MoM as foreign selling and political uncertainty weighed on sentiment.** Foreign outflows hit RM2.0bn in August (RM-4.8bn YTD). This pushed foreign shareholding to a record low of 18.1%. However, earnings and growth trends stayed supportive. CIMB's beat-to-miss ratio recovered to 0.95x in 2Q26 from 0.52x in 1Q26. 2Q26 GDP grew 6.0% YoY on AI-driven E&E exports. Bursa's move to expand the KLCI to 50 constituents adds a positive structural angle. This lifts index coverage to around 70% of market cap.

4 **FBM KLCI valuations remain undemanding,** with FY26 PER of 15.2x (5Y range 12.4x-16.7x), PBR of 1.6x (5Y range 1.2x-1.7x), and a forecast DY of 4.2% (5Y range 3.8%-4.5%) [Source: Bloomberg]. We retain a positive market outlook and remain well positioned to deploy capital opportunistically.

Feature: Innoprise Plantations Berhad

Exhibit 1: Map of Innoprise's estates and mill.

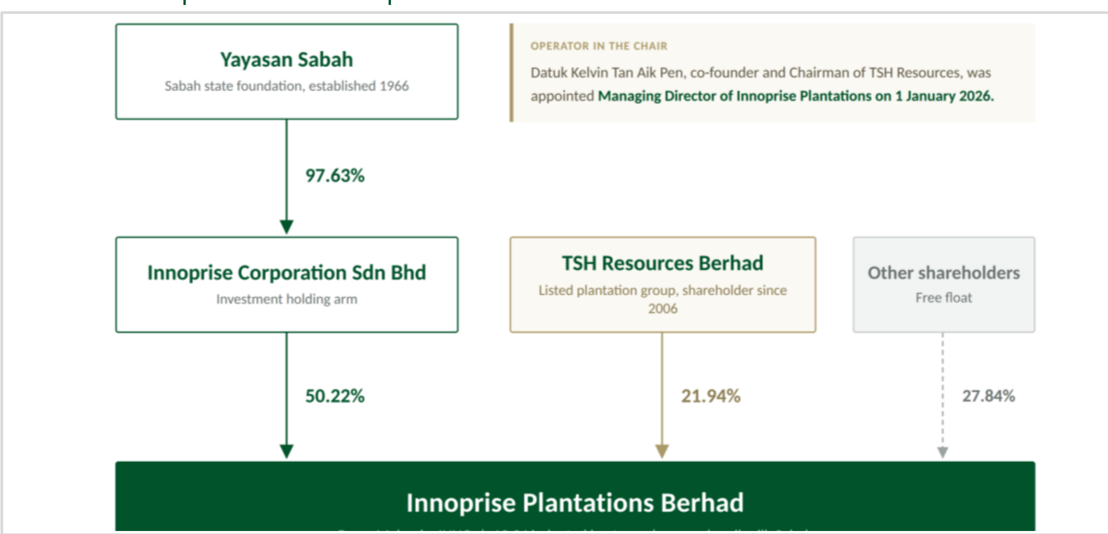


Source: Innoprise Plantations Berhad

1 Innoprise is a Sabah planter that has quietly become a RM1 billion company.

Innoprise cultivates oil palm in Sabah. It holds 22,763 hectares of land, of which 12,246 hectares are planted. The company sells the crude palm oil it produces without refining it further. Its earnings therefore move directly with the palm oil price.

Exhibit 2: Innoprise's ownership structure



Source: Bloomberg

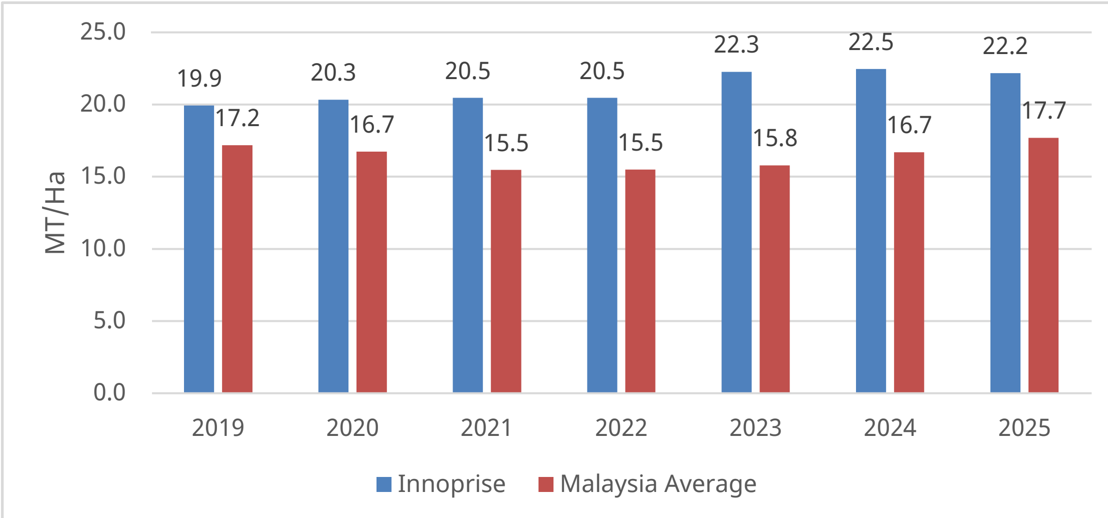
2 The Sabah state and a proven oil operator are key major shareholders.

Innoprise Corp holds 50.2%. Behind it sits Yayasan Sabah, the state foundation. TSH Resources holds 21.9%. The state brings the land and a long horizon. TSH brings the agronomy.

In Jan-2026, TSH's co-founder, Datuk Kelvin Tan Aik Pen, took the Managing Director seat.

Cont'd

Exhibit 3: Innoprise fresh fruit bunch (FFB) yield against Malaysia average.



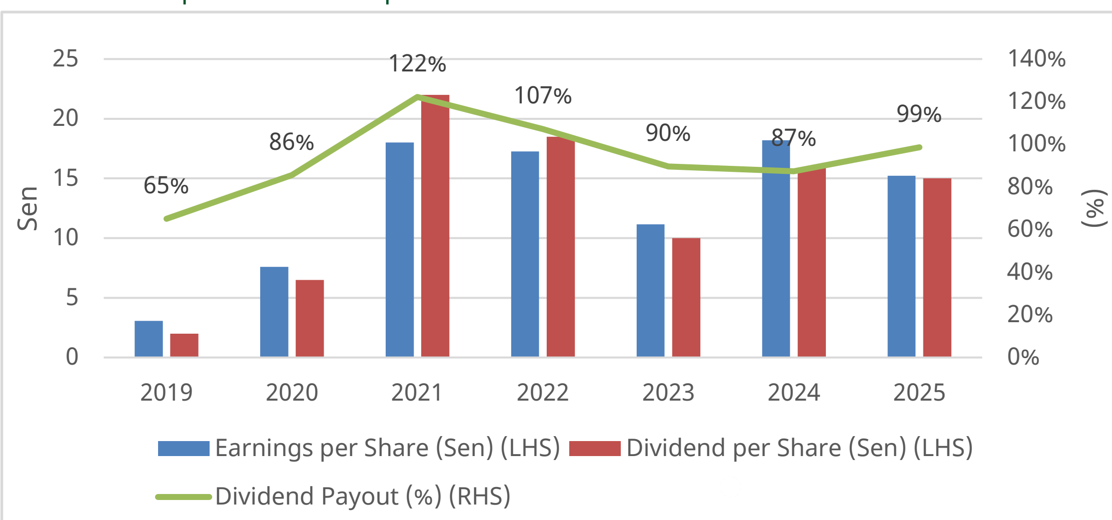
Source: Innoprise Plantations Berhad, Malaysia Palm Oil Board

3 Innoprise's strong and productivity metrics is a huge advantage.

Innoprise produced 22.2 tonnes of fruit per hectare in 2025. The national average was 17.7. The gap has held seven years.

Age and agronomy explain it. Some 95% of its palms are in prime maturity. TSH has supplied the estate expertise since 2006. Better yields mean lower costs.

Exhibit 4: Innoprise's financial performance.



Source: Astute Fund Research

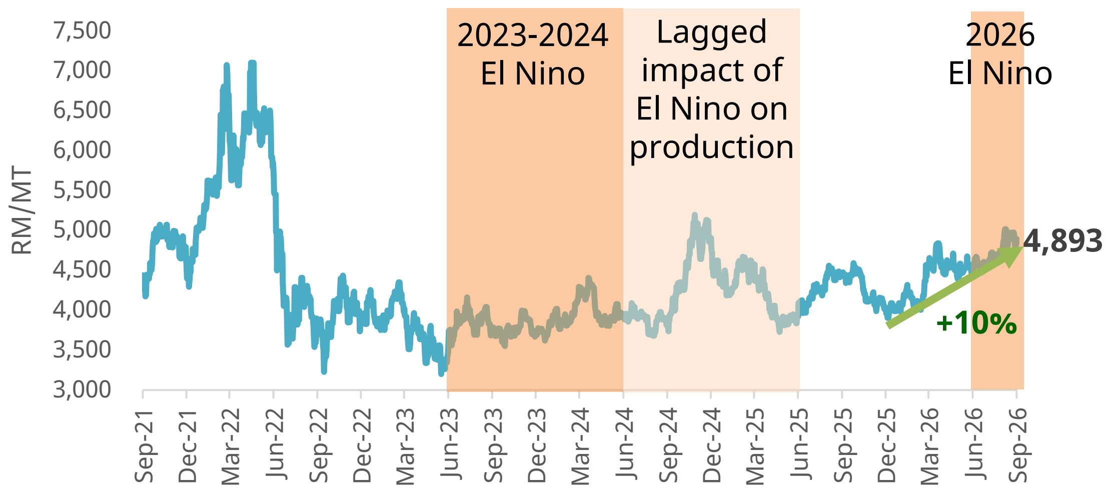
4 No debt and a long record of paying cash out.

Innoprise has no borrowings and is in a net cash position.

It has distributed at least 86% of earnings in every year since 2020. The record held through 2023, when profits fell by a third and the payout was still 90%.

Cont’d

Exhibit 5: 3-month crude palm oil (CPO) price (RM/MT)



Source: Bloomberg

5

Innoprise is a direct proxy to increasing palm oil price.

The three-month crude palm oil price has risen 10% this year to RM4,893 per tonne.

We expect prices to stay firm into 2027. Drier El Niño weather in the Southeast Asia region, Indonesia's B50 mandate and vegetable oil supply disruptions are all supportive.

Exhibit 6: Innoprise’s peer comparison

Company/Index	Mkt Cap (RM Mil)	EPS Growth (%)		P/E (x)		Div Yld (%)		EV/Ha (USD'000)	FFB Yield (MT/Ha)	OER (%)
		1FY	2FY	1FY	2FY	1FY	2FY			
Bursa Plantation (RM)	170	34.0	6.6	16.6	15.6	3.0	3.3			
KLCI	1,224	6.2	6.7	15.0	14.1	4.3	4.6			
United Plant	20,843	6.1	5.7	23.9	22.6	4.1	4.4	117.3	28.1	21.1%
Innoprise	**1,010**	**11.0**	**2.2**	**12.8**	**12.5**	**7.6**	**7.8**	**19.8**	**22.5**	**21.4%**
Selected Peers										
SD Guthrie Bhd	43,776	82.5	3.5	16.8	16.3	3.2	3.2	26.3	18.3	21.0%
IOI Corp Bhd	30,923	28.0	0.4	18.6	18.5	2.6	2.7	54.2	19.1	21.8%
Kuala Lumpur Kepong	25,280	14.9	25.9	21.7	17.2	2.8	3.1	33.8	20.6	21.4%
Genting Plantations	5,400	43.8	4.8	13.1	12.5	4.5	4.6	14.7	17.0	21.4%
Sarawak Oil Palms	5,810	18.6	4.1	11.7	11.3	2.8	2.9	15.6	16.7	20.0%
Johor Plantations Group	4,844	46.3	22.2	16.6	13.6	3.4	3.8	28.2	22.4	20.0%
Kim Loong Resources	2,759	3.8	- 5.3	14.7	15.6	5.4	5.0	38.8	21.7	20.6%
AVERAGE		**34.0**	**7.9**	**16.2**	**15.0**	**3.5**	**3.6**	**30.2**	**19.4**	**20.9%**

Source: Astute Fund Research, Bloomberg

6

Innoprise’s valuations are undemanding relative to its peers.

Innoprise trades at 12.5x FY27 earnings, against a peer average of 15.0x. Measured against the land itself, each planted hectare is valued at USD19,800, versus USD30,200 for peers.

Its FY27 dividend yield of 7.8% exceeds the index at 3.3%

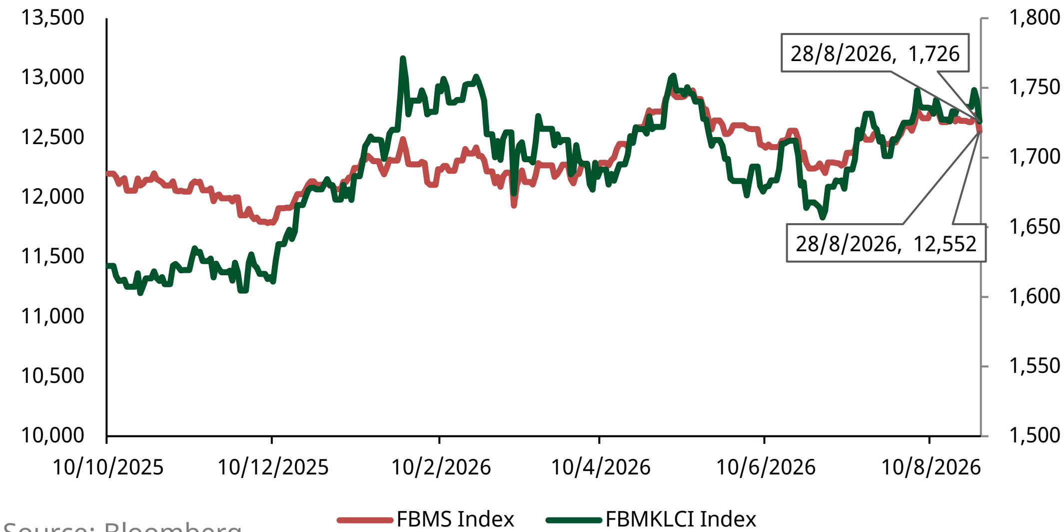
Astute
Fund Management

Appendices

www.astutefm.com.my

Appendices

Exhibit 7: KLCI & Shariah Index

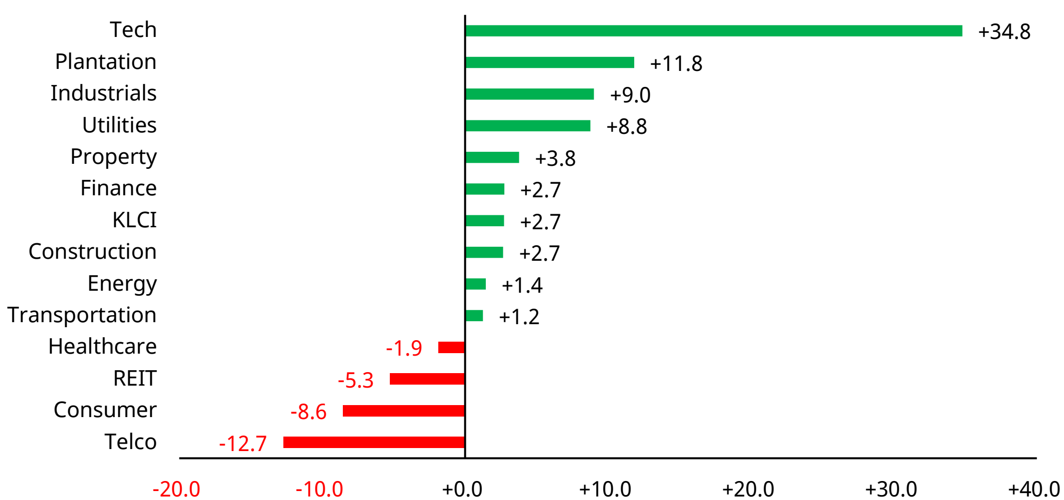


Source: Bloomberg

1 KLCI rebounded in April as sentiment recovers on stronger Tech stocks performance.

The KLCI and FBM Shariah have stabilised in August 2026 on the back of tech and plantation outperformance.

Exhibit 8: Sector Performances 2026 (%)



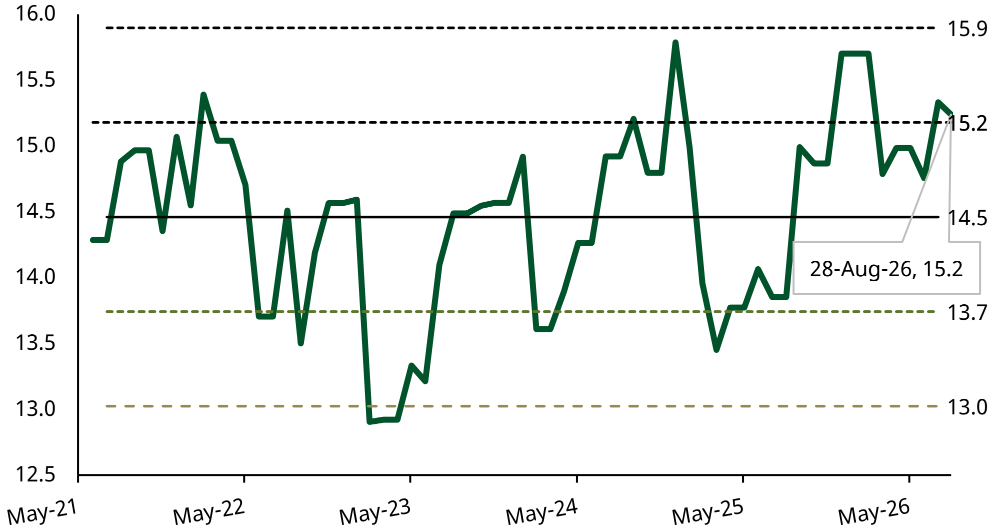
Source: Bloomberg

2 Sector Performance YTD-26 – Tech Leads, Telco Lags

Tech (+34.8%) and Plantation (+11.8%) were top performers YTD-26, while Telco (-12.7%) has underperformed the market.

Cont'd

Exhibit 9: KLCI's FY26 PER (x)

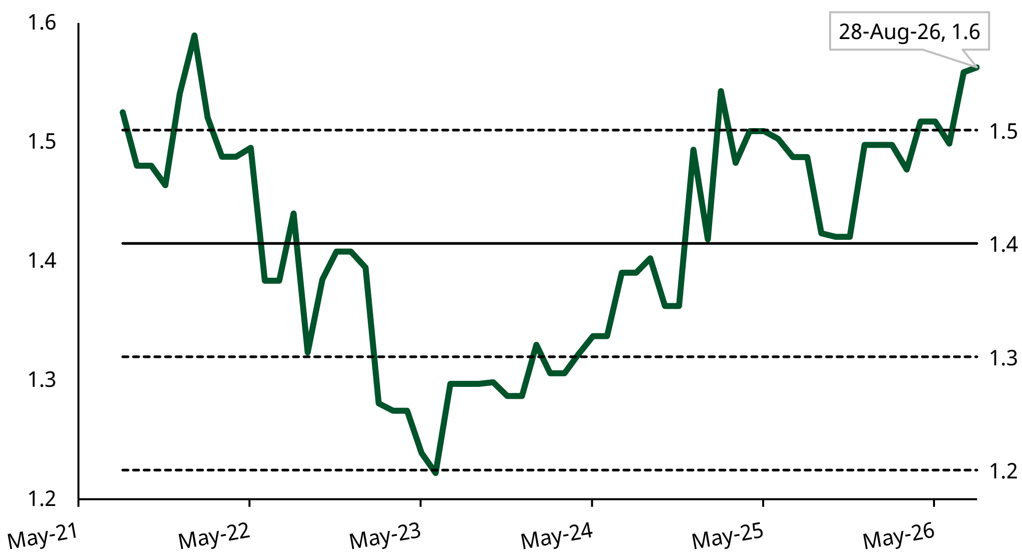


Source: Bloomberg

3 **The KLCI's valuation is valued above the 5-year mean.**

The KLCI trades at a FY26 PER of 15.2x (5Y range 12.4x to 16.7x, 5Y mean of 14.5x).

Exhibit 10: KLCI's FY26 PBR (x)



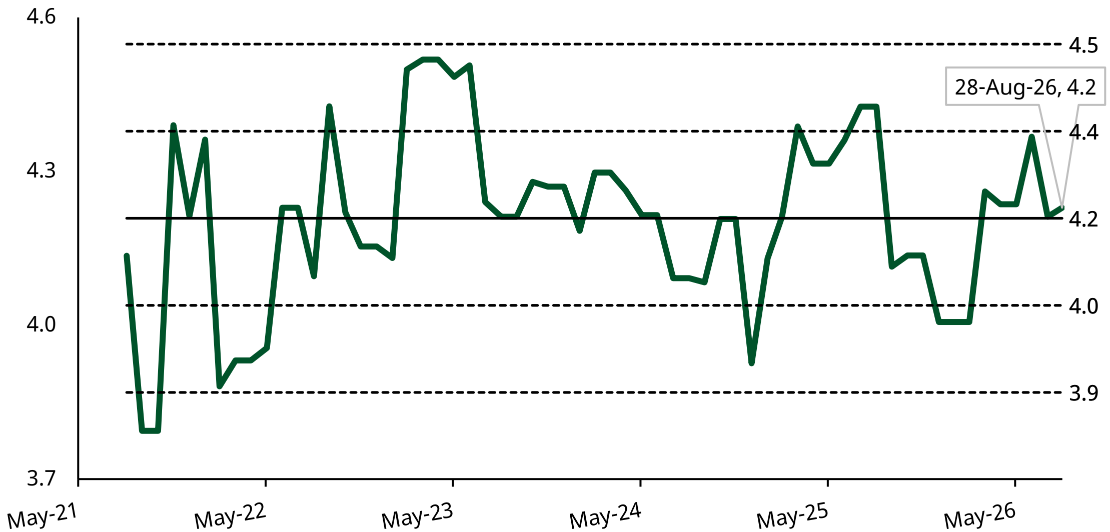
Source: Bloomberg

4 **This is the same for KLCI's PBR.**

The KLCI trades at a FY26 PBR of 1.6x (5Y range 1.2x to 1.7x, 5Y mean 1.4x).

Cont'd

Exhibit 11: KLCI's FY26 DY (%)

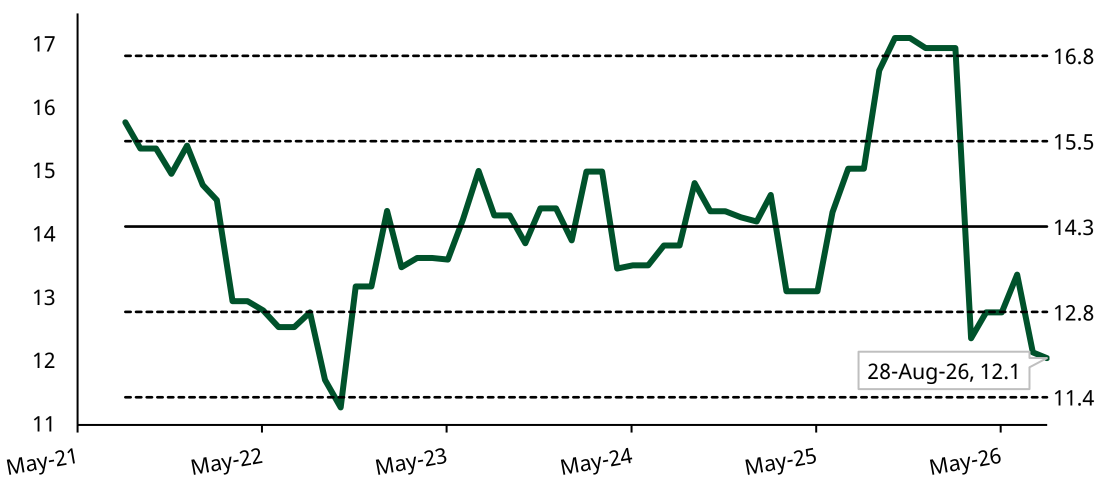


Source: Bloomberg

5 **The KLCI dividend yield is attractive.**

The KLCI trades at a FY26 DY of 4.2% (5Y range 3.8% to 4.5%, mean of 4.2%). The appealing dividend yield is likely to support share prices.

Exhibit 12: MSCI AxJ Index's FY26 PER (x)



6 **Asia ex Japan has corrected below historical averages.**

The MSCI AC Asia ex Japan index trades at a FY26 PE of 12.1x (5Y range 11.1x to 19.5x, mean of 14.3x).

For Use of Astute's Clients, Consultants and Distributors only

Disclaimer

This document is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Fundamental ratings include various financial data from the income statement, balance sheet, and cash flow statement items such as sales, profit, all important ratios, cash flows, working capital, cash conversion cycle and etc. over the past quarters and years. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not indicative of future performance. This document is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this document. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this document. The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Astute Fund Management Berhad (“Astute”) and consequently no representation is made as to the accuracy or completeness of this document by Astute and it should not be relied upon as such. Accordingly, Astute and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this document. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice. This document may contain forward-looking statements which are often but not always identified by the use of words such as " anticipate", "believe", "estimate", intend", "plan", " expect", "forecast", "predict" and "project" and statements that an event or result "may", “will", "can", "should", "could " or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward-looking statements. Readers are cautioned not to place undue relevance on these forward looking statements. Astute expressly disclaims any obligation to update or revise any such forward-looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events. Astute and its officers, directors and employees, including persons involved in the preparation or issuance of this document, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this document, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this document. One or more directors, officers and/or employees of Astute may be a director of the issuers of the securities mentioned in this document to the extent permitted by law. This document is prepared for the use of Astute clients, consultants or Representatives and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Astute. Astute and its Representatives accepts no liability whatsoever for the actions of third parties in this respect. This document is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This document is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this document.

The objective of this feature and other contents in this document is to familiarise Astute clients with our views and ideas. The statements contained herein are not intended as a recommendation to buy or sell any security. Investors should rely on their own evaluation to assess the merits and risks of the investment. If investors are unable to make their own evaluations, they are advised to consult their professional advisers. Prices of securities move up and down and may result in capital loss. Astute may own the securities mentioned in this document from time to time.

This document has not been reviewed by the Securities Commission Malaysia (“SC”), Federation of Investment Managers Malaysia (“FIMM”) and Employees Provident Fund (“EPF”). The SC, FIMM and EPF are not liable for this document and are not in any way associated with this document. The SC, FIMM and EPF are not responsible for the contents herein and do not make any representation on the accuracy or completeness of this document, either in whole or in part.

Data, charts and news sources are derived from Bloomberg. Portfolio Managers' Views are from Astute Fund Management Berhad.