

Farm Fresh Berhad

Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)

Interim Financial Report
Third quarter ended 31 December 2025

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Condensed consolidated statement of financial position as at 31 December 2025

	Unaudited 31.12.2025 RM'000	Audited 31.3.2025 RM'000
Assets		
Property, plant and equipment	593,683	513,490
Right-of-use assets	40,293	36,467
Biological assets	148,574	141,952
Intangible assets	107,227	111,126
Investment in associate	6,385	--
Trade and other receivables	213	268
Deferred tax assets	10,497	9,371
Total non-current assets	<u>906,872</u>	<u>812,674</u>
Inventories	222,817	175,332
Trade and other receivables	288,887	206,665
Current tax assets	4,379	5,446
Derivative financial assets	--	86
Other investments	116,292	64,037
Cash and cash equivalents	78,908	58,785
	711,283	510,351
Assets classified as held for sale	8,784	28,144
Total current assets	<u>720,067</u>	<u>538,495</u>
Total assets	<u><u>1,626,939</u></u>	<u><u>1,351,169</u></u>
Equity		
Share capital	418,108	404,847
Reserves	360,513	295,285
Equity attributable to owners of the Company	778,621	700,132
Non-controlling interests	31,745	28,107
Total equity	<u>810,366</u>	<u>728,239</u>
Liabilities		
Deferred tax liabilities	29,227	24,345
Deferred income	7,062	6,703
Loans and borrowings	229,794	306,282
Lease liabilities	24,135	20,590
Put option liability	58,413	55,833
Total non-current liabilities	<u>348,631</u>	<u>413,753</u>
Current tax liabilities	2,678	1,116
Deferred income	446	943
Derivative financial liabilities	5,942	428
Loans and borrowings	278,841	91,622
Lease liabilities	9,410	8,389
Trade and other payables	170,625	106,679
Total current liabilities	<u>467,942</u>	<u>209,177</u>
Total liabilities	<u>816,573</u>	<u>622,930</u>
Total equity and liabilities	<u><u>1,626,939</u></u>	<u><u>1,351,169</u></u>
Net assets per share attributable to owners of the Company (RM)	<u>0.41</u>	<u>0.37</u>

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Condensed consolidated statement of profit or loss and other comprehensive income for the third quarter ended 31 December 2025

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
Revenue	285,060	246,589	840,574	737,451
Cost of sales	(191,232)	(165,570)	(561,228)	(499,658)
Gross profit	93,828	81,019	279,346	237,793
Other income	3,355	1,528	7,246	4,507
Selling and distribution expenses	(25,580)	(22,297)	(75,334)	(66,831)
Administrative expenses	(26,487)	(23,493)	(75,892)	(65,643)
Other expenses	(2,405)	(3,865)	(5,849)	(7,568)
Fair value loss on biological assets	(778)	(475)	(2,014)	(3,766)
Results from operating activities	41,933	32,417	127,503	98,492
Finance income	310	286	760	809
Finance costs	(4,824)	(4,547)	(13,068)	(13,490)
Net finance costs	(4,514)	(4,261)	(12,308)	(12,681)
Share of loss of associate	(87)	--	(87)	--
Profit before tax	37,332	28,156	115,108	85,811
Tax expense	(3,217)	(1,977)	(9,957)	(6,149)
Profit after tax	34,115	26,179	105,151	79,662
Other comprehensive (expense)/ income, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation difference:	(6,706)	(4,624)	(9,290)	(19,817)
Cash flow hedge	(5,559)	3,912	(4,087)	(777)
Other comprehensive expense for the period	(12,265)	(712)	(13,377)	(20,594)
Total comprehensive income for the period	21,850	25,467	91,774	59,068
Profit attributable to:				
Owners of the Company	32,244	25,864	101,709	78,042
Non-controlling interests	1,871	315	3,442	1,620
Profit for the period	34,115	26,179	105,151	79,662
Total comprehensive income attributable to:				
Owners of the Company	19,926	25,260	88,157	57,848
Non-controlling interests	1,924	207	3,617	1,220
Total comprehensive income for the period	21,850	25,467	91,774	59,068
Basic earnings per ordinary share (sen)	1.72	1.38	5.42	4.17
Diluted earnings per ordinary share (sen)	1.71	1.38	5.40	4.16

Farm Fresh Berhad

Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity for the third quarter ended 31 December 2025

	← Attributable to owners of the Company →						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Non-distributable Employee share-based reserve RM'000	Put option reserve RM'000	Distributable Retained earnings RM'000			
At 1 April 2024	399,555	186	--	5,615	(36,955)	298,012	666,413	26,558	692,971
Foreign currency translation differences for foreign operations	--	(19,417)	--	--	--	--	(19,417)	(400)	(19,817)
Cash flow hedge	--	--	(777)	--	--	--	(777)	--	(777)
Total other comprehensive expense for the period	--	(19,417)	(777)	--	--	--	(20,194)	(400)	(20,594)
Profit for the period	--	--	--	--	--	78,042	78,042	1,620	79,662
Total comprehensive (expense)/income for the period	--	(19,417)	(777)	--	--	78,042	57,848	1,220	59,068
<i>Contributions by and distributions to owners of the Company</i>									
Capital contribution by non-controlling interest	--	--	--	--	--	--	--	500	500
Dividend to owners of the Company	--	--	--	--	--	(41,229)	(41,229)	--	(41,229)
Issue of shares pursuant to ESOS	4,932	--	--	(847)	--	--	4,085	--	4,085
Share-based payment	--	--	--	1,438	--	--	1,438	--	1,438
Changes in put option liability	--	--	--	--	(2,600)	--	(2,600)	--	(2,600)
Change in ownership interests in a subsidiary	--	--	--	--	--	34	34	299	333
Total transactions with owners of the Company	4,932	--	--	591	(2,600)	(41,195)	(38,272)	799	(37,473)
At 31 December 2024	404,487	(19,231)	(777)	6,206	(39,555)	334,859	685,989	28,577	714,566

Farm Fresh Berhad

Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)

Condensed consolidated statement of changes in equity for the third quarter ended 31 December 2025 (continued)

	← Attributable to owners of the Company →						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Non-distributable Employee share-based reserve RM'000	Put option reserve RM'000	Distributable Retained earnings RM'000			
At 1 April 2025	404,847	(18,352)	(429)	6,686	(55,833)	363,213	700,132	28,107	728,239
Foreign currency translation differences for foreign operations	--	(9,465)	--	--	--	--	(9,465)	175	(9,290)
Cash flow hedge	--	--	(4,087)	--	--	--	(4,087)	--	(4,087)
Total other comprehensive (expense)/income for the period	--	(9,465)	(4,087)	--	--	--	(13,552)	175	(13,377)
Profit for the period	--	--	--	--	--	101,709	101,709	3,442	105,151
Total comprehensive (expense)/income for the period	--	(9,465)	(4,087)	--	--	101,709	88,157	3,617	91,774
<i>Contributions by and distributions to owners of the Company</i>									
Capital contribution by non-controlling interest	--	--	--	--	--	--	--	3	3
Dividend payable to owners of the Company	--	--	--	--	--	(18,775)	(18,775)	--	(18,775)
Issue of shares pursuant to ESOS	13,261	--	--	(2,289)	--	--	10,972	--	10,972
Share-based payment	--	--	--	725	--	--	725	--	725
Changes in put option liability	--	--	--	--	(2,580)	--	(2,580)	--	(2,580)
Change in ownership interests in a subsidiary	--	--	--	--	--	(10)	(10)	18	8
Total transactions with owners of the Company	13,261	--	--	(1,564)	(2,580)	(18,785)	(9,668)	21	(9,647)
At 31 December 2025	418,108	(27,817)	(4,516)	5,122	(58,413)	446,137	778,621	31,745	810,366

Farm Fresh Berhad

Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)

Condensed consolidated statement of cash flows for the third quarter ended 31 December 2025

	9 months ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
Cash flows from operating activities		
Profit before tax	115,108	85,811
Adjustments for:		
Depreciation and amortisation:		
- property, plant and equipment	40,354	35,221
- right-of-use assets	8,544	7,507
- intangible assets	593	202
Finance income	(760)	(809)
Finance costs	13,068	13,490
Equity settled share based payment	725	1,574
Impairment loss on trade receivables	2,107	1,554
Bad debts written off	--	213
Write off of:		
- property, plant and equipment	533	108
- obsolete and slow-moving inventories	98	433
(Gain)/Loss on disposal of property, plant and equipment	(676)	237
Gain on disposal of intangible asset	(414)	--
Gain on disposal of assets classified as held for sale	(1,658)	--
Gain on divestment of subsidiary, net of cash and cash equivalents acquired	(609)	--
Gain on derecognition of lease	(83)	(69)
Amortisation of deferred income	(331)	(263)
Loss arising from changes in fair value of dairy cows and goats	2,014	3,766
Fair value loss/(gain) on:		
- Derivative financial instruments	85	736
- Other investments	(1,432)	(1,981)
Distribution income from money market investments	(322)	(1,004)
Unrealised loss on foreign exchange	858	46
Share of loss in associate	87	--
Operating profit before changes in working capital	177,889	146,772
Change in deferred income	230	2,103
Change in inventories	(47,464)	(30,235)
Change in trade and other receivables	(86,469)	(10,455)
Change in trade and other payables	67,963	16,222
Cash generated from operations	112,149	124,407
Interest received	760	809
Tax paid	(2,440)	(2,864)
Net cash from operating activities	110,469	122,352
Cash flows from investing activities		
Acquisition of:		
- property, plant and equipment	(135,015)	(80,196)
- biological assets	(26,068)	(18,964)
- intangible assets	(579)	(415)
Net (investment in)/withdrawal from other investments	(50,500)	26,500
Proceeds from disposal of:		
- property, plant and equipment	1,529	1,909
- biological assets	15,906	3,514
- intangible assets	3,987	--
- assets classified as held for sale	18,992	--
Net cash used in investing activities	(171,748)	(67,652)

Condensed consolidated statement of cash flows for the third quarter ended 31 December 2025
(continued)

	9 months ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
Cash flows from financing activities		
Interest paid	(13,968)	(15,206)
Dividend paid	(18,775)	(41,229)
Proceeds from shares issued	10,972	4,085
Drawdown of sukuk	125,000	--
Repayment of term loans	(6,280)	(475)
Net proceeds/(payment) from:		
- bankers' acceptances	(217)	13,179
- short-term financing	45	(1,310)
Repayment of hire purchase liabilities	(4,687)	(5,441)
Repayment of lease liabilities	(8,759)	(7,708)
Capital contributed by a non-controlling shareholder	11	833
Net cash generated from/(used in) financing activities	<u>83,342</u>	<u>(53,272)</u>
Exchange difference on translation of the financial statements of foreign operation	(1,940)	(5,168)
Net increase/(decrease) in cash and cash equivalents	20,123	(3,740)
Cash and cash equivalents at 1 April	<u>58,785</u>	<u>58,167</u>
Cash and cash equivalents at 31 December	<u><u>78,908</u></u>	<u><u>54,427</u></u>

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following amounts from the condensed consolidated statement of financial position:

	9 months ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
Cash and cash equivalents:		
- cash and bank balances	73,522	53,062
- deposits with licensed banks	5,386	1,365
	<u>78,908</u>	<u>54,427</u>

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Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 and International Accounting Standards (“IAS”) 34 Interim Financial Reporting

A1. Basis of preparation

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), Malaysia Financial Reporting Standards (MFRS) 134: *Interim Financial Reporting* and International Accounting Standards (IAS) 34: *Interim Financial Reporting*.

This condensed consolidated interim financial report should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2025 and the accompanying notes attached to the interim financial report.

A2. Material accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 March 2025.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures- Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements — Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures- Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

The following MFRS Accounting Standards, interpretations and amendments will become effective for annual periods beginning on or after a date yet to be confirmed:

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group upon its first adoption.

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A3. Auditors' report

The audited consolidated financial statements for the financial year ended 31 March 2025 was not subject to any qualifications.

A4. Seasonal or cyclical factors

The nature of the Group's business was not subject to any significant seasonal or cyclical factors.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the financial period under review.

A6. Changes in estimates

There were no material changes in estimates for the financial period under review.

A7. Debt and equity securities

The Group has issued RM125.0 million in nominal value of Islamic Medium Term Notes ("New Sukuk Wakalah") on 10 October 2025 pursuant to an Islamic Medium Term Notes Programme of RM1.0 billion in nominal value which was established on 18 May 2021.

The New Sukuk Wakalah has a tenure of five (5) years and will mature on 10 October 2030.

A8. Dividends paid

On 24 July 2025, the Board of Directors declared a final single-tier dividend of 1.00 sen per ordinary share totaling RM18.8 million for the financial year ended 31 March 2025. It was paid on 17 October 2025 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 3 October 2025.

A9. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM135.0 million during the financial period under review.

There were no material disposals of property, plant and equipment during the current quarter and financial period under review.

A10. Impairment losses

Save as disclosed in Note B13, there were no other significant impairment losses arising from property, plant and equipment, financial assets, assets arising from contracts with customers or other assets during the current quarter and financial period under review.

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A11. Segment information

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units are in different geographies, and are managed separately because they require different marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group Managing Director and Group Chief Executive Officer) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Malaysia's operation Includes rearing of dairy cows and goats, production and marketing and sale of cow's and goat's milk, yogurt, plant-based, ice cream and a range of other products; and agrotourism.
- Australia's operation Includes rearing of dairy cows, production and marketing and sale of cow's milk, jam, sauces, butter and yogurt.

The other overseas operations are not material for disclosure and have been included as part of the Malaysia's operations for the financial period.

Performance is measured based on segment profit before tax, finance income, finance costs, depreciation and amortisation, as included in the internal management reports that are reviewed by CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment profit/(loss) before tax at each reportable segment is arrived after eliminating all inter-segment profits originating from that reporting segment. Segmental information is presented in respect of the Group's business segments as follows:

Individual quarter (3 months)	Malaysia's Operation RM'000	Australia's Operation RM'000	Intra-group Adjustments RM'000	Total RM'000
1.10.2025 to 31.12.2025				
External revenue	271,947	13,113	--	285,060
Inter-segment revenue	60,589	43,916	(104,505)	--
Segment profit before tax	<u>34,450</u>	<u>1,759</u>	<u>1,123</u>	<u>37,332</u>
1.10.2024 to 31.12.2024				
External revenue	225,577	21,012	--	246,589
Inter-segment revenue	43,145	30,281	(73,426)	--
Segment profit/(loss) before tax	<u>30,044</u>	<u>(2,399)</u>	<u>511</u>	<u>28,156</u>
Cumulative quarter (9 months)	Malaysia's Operation RM'000	Australia's Operation RM'000	Intra-group Adjustments RM'000	Total RM'000
1.4.2025 to 31.12.2025				
External revenue	792,484	48,090	--	840,574
Inter-segment revenue	156,930	113,880	(270,810)	--
Segment profit/(loss) before tax	<u>115,536</u>	<u>(1,620)</u>	<u>1,192</u>	<u>115,108</u>
1.4.2024 to 31.12.2024				
External revenue	652,878	84,573	--	737,451
Inter-segment revenue	124,234	100,868	(225,102)	--
Segment profit/(loss) before tax	<u>88,415</u>	<u>(2,089)</u>	<u>(515)</u>	<u>85,811</u>

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A12. Material events subsequent to the statement of financial position date

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements.

A13. Changes in the composition of the Group

The Company, had on 23 October 2025 completed the incorporation of Farm Fresh (Cambodia) Co., Ltd. in Cambodia.

On 1 December 2025, the Company entered into agreements with Koh Mi Trading Sdn Bhd, a major franchisee of “Jomcha” chains of beverage outlets, for a disposal of 51% equity interest in Farm Fresh Jomcha Sdn Bhd (“Jomcha”).

As a result, the Group’s shareholding in Jomcha decreased from 100% to 49% and the retained ownership interest has been accounted for as an investment in associate.

The incorporation and dilution above did not have material impact to the Group during the financial period under review.

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A14. Fair value information

The following table analyses financial instruments carried at fair value by valuation method. The different levels in a fair value hierarchy based on the input used in the valuation technique have been defined as follows:

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

Level 2 - Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value	Total fair value	Carrying amount
	Level 2 RM'000	Level 3 RM'000	Level 3 RM'000		
31.12.2025					
Financial assets					
Other investments	116,292	--	--	116,292	116,292
	<u>116,292</u>	<u>--</u>	<u>--</u>	<u>116,292</u>	<u>116,292</u>
Financial liabilities					
Derivatives designated as cash flow hedge					
- Commodity future contracts	(4,542)	--	--	(4,542)	(4,542)
- Forward exchange contracts	(1,400)	--	--	(1,400)	(1,400)
Hire purchase liabilities	--	--	(4,220)	(4,220)	(3,941)
Term loans	--	--	(21,399)	(21,399)	(21,260)
Sukuk	--	--	(426,282)	(426,282)	(426,282)
Put option liability	--	(58,413)	--	(58,413)	(58,413)
	<u>(5,942)</u>	<u>(58,413)</u>	<u>(451,901)</u>	<u>(516,256)</u>	<u>(515,838)</u>
31.3.2025					
Financial assets					
Derivatives at fair value through profit or loss					
- Interest rate swap	86	--	--	86	86
Other investments	64,037	--	--	64,037	64,037
	<u>64,123</u>	<u>--</u>	<u>--</u>	<u>64,123</u>	<u>64,123</u>
Financial liabilities					
Derivatives designated as cash flow hedge					
- Forward exchange contracts	(260)	--	--	(260)	(260)
- Commodity future contracts	(168)	--	--	(168)	(168)
Hire purchase liabilities	--	--	(8,886)	(8,886)	(8,743)
Term loans	--	--	(28,196)	(28,196)	(28,125)
Sukuk	--	--	(303,405)	(303,405)	(303,405)
Put option liability	--	(55,833)	--	(55,833)	(55,833)
	<u>(428)</u>	<u>(55,833)</u>	<u>(340,487)</u>	<u>(396,748)</u>	<u>(396,534)</u>

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A15. Contingent liabilities

There were no material changes in contingent liabilities arising since the last audited consolidated financial statements for the financial year ended 31 March 2025.

A16. Capital commitments

	Unaudited 31.12.2025 RM'000	Audited 31.3.2025 RM'000
Contracted but not provided for:		
Plant and equipment	79,912	13,683
Intangible assets	28	385
	<u>79,940</u>	<u>14,068</u>

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements

B1. Review of performance

Current quarter against corresponding quarter (Q3'26 vs Q3'25)

	Individual quarter 3 months ended		Changes %
	31.12.2025 RM'000	31.12.2024 RM'000	
Revenue	285,060	246,589	15.6
Gross profit	93,828	81,019	15.8
Operating profit	41,933	32,417	29.4
Profit before tax	37,332	28,156	32.6
Profit after tax	34,115	26,179	30.3
Profit attributable to owners of the Company ("PATAMI")	<u>32,244</u>	<u>25,864</u>	<u>24.7</u>

The Group's revenue grew by 15.6% or RM38.5 million as compared to the corresponding period, mainly driven by increase in Malaysian revenue, fueled by higher mini market sales and e-commerce sales. Additionally, stronger sales in Philippines, exports to Cambodia, and the positive sales contribution from launching of new products i.e. Butter, AusFresh, and Farm Fresh Full Cream Milk Powder further contributed to the growth. The increase was partly offset by a decrease in Australian revenue due to lower export deliveries.

The Group's gross profit increased by 15.8% or RM12.8 million in line with the higher topline while the gross profit margin remained unchanged at 32.9%.

Consequently, the Group's operating profit rose by 29.4% or RM9.5 million and profit before tax increased by 32.6% or RM9.2 million respectively, primarily driven by the aforementioned increase in gross margin. Apart from that, the increase in operating profit was also contributed by a one-off gain of RM0.9 million from the divestment of a subsidiary, and absence of fair value loss on derivatives following the adoption of hedge accounting, as compared to RM1.9 million fair value loss on derivatives recorded in the corresponding quarter.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B1. Review of performance (continued)

Current financial period against corresponding financial period (FY'26 vs FY'25)

	Cumulative quarter 9 months ended		Changes %
	31.12.2025 RM'000	31.12.2024 RM'000	
Revenue	840,574	737,451	14.0
Gross profit	279,346	237,793	17.5
Operating profit	127,503	98,492	29.5
Profit before tax	115,108	85,811	34.1
Profit after tax	105,151	79,662	32.0
Profit attributable to owners of the Company ("PATAMI")	<u>101,709</u>	<u>78,042</u>	<u>30.3</u>

The Group's revenue increased by 14.0% or RM103.1 million as compared to the corresponding financial period, mainly attributable to the increase in Malaysian revenue by 21.4% or RM139.6 million underpinned by positive sales contribution from launching of new products, coupled with higher school milk sales and increased sales from mini market, e-commerce as well as higher sales in Philippines and exports to Cambodia . However, Australian revenue decreased by 43.1% or RM36.5 million due to lower export deliveries.

The Group's posted a gross profit of RM279.3 million, up by 17.5% or RM41.6 million from the same period last year, while gross profit margin improved from 32.2% to 33.2% in the current financial period.

Consequently, the Group's operating profit rose by 29.5% or RM29.0 million while profit before tax increased by 34.1% or RM29.3 million respectively, mainly due to the increase in gross margin, which was partially offset by higher distribution costs which are in line with higher school milk sales as well as higher administrative costs, including salary and depreciation costs with the addition of the CPG ice cream operations and increase of Inside Scoop outlets. The increase in costs was partially offset by lower fair value loss on valuation of biological assets of RM2.0 million as compared to RM3.8 million in the corresponding period. In addition, the Group recorded one-off gains of RM1.7 million from the disposal of Australia farm assets classified as held for sale and RM0.9 million from the divestment of a subsidiary.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B2. Comparison with immediate preceding quarter (Q3'26 vs Q2'26)

	Current quarter 31.12.2025 RM'000	Preceding quarter 30.9.2025 RM'000	Changes %
Revenue	285,060	294,937	(3.3)
Gross profit	93,828	99,038	(5.3)
Operating profit	41,933	45,519	(7.9)
Profit before tax	37,332	41,731	(10.5)
Profit after tax	34,115	37,792	(9.7)
Profit attributable to owners of the Company ("PATAMI")	<u>32,244</u>	<u>36,666</u>	<u>(12.1)</u>

The Group's revenue declined by 3.3% or RM9.9 million as compared to the preceding quarter, largely attributable to reduced school milk deliveries during the year-end school holidays in the current quarter. The decrease was partially offset by stronger mini market sales and increased export sales to Cambodia.

The Group's gross profit decreased by 5.3% or RM5.2 million as compared to the preceding period while gross profit margin dipped by 0.7%, reflecting the lower school milk sales.

The Group's operating profit decreased by 7.9% or RM3.6 million mainly due to the aforementioned decrease in gross profit, which was partially offset by lower fair value loss on valuation of biological assets of RM0.8 million, as compared to the fair value loss on biological assets of RM2.1 million in the preceding quarter.

The Group's profit before tax decreased by 10.5% or RM4.4 million mainly due to higher finance cost in current quarter arising from the issuance of 3rd tranche of Sukuk of RM125m on 10 October 2025.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B3. Prospects for the Group

Prospects

We have continued to make good progress in both our category expansion and regional expansion, notwithstanding the revenue drop this quarter compared to the preceding quarter, which is mainly attributable to lower school milk deliveries during the year-end school holidays.

Since we commenced exports of our dairy products to Cambodia in end-August 2025, our Cambodia exports on a monthly basis has increased significantly and has now exceeded our exports to Singapore. We are now available in major modern trade outlets in Phnom Penh, as well as penetrating into major coffee outlets and into general trade with our UHT products. Additionally, our factory is currently being constructed by our partner in Cambodia, and is slated to commence operations in mid-2026. The completion of this factory will enable us to serve the Cambodia market in a more cost-effective manner, while enabling us to introduce more products, specifically in the UHT segment, tailored towards the Cambodia and Indochina market.

We have also continued to show growth in revenues and improved financial results for the Philippines, where we have commenced our factory operations in end-September 2024 and selling our pasteurized and UHT products in the modern trade outlets and HORECA customers in the Greater Manila market.

Our Enstek plant, slated to be operational in mid-2026, will enable us to produce about 1 million pieces of ice cream per day, and thus place us in a good position to produce various ice cream products and continue the consumer-packaged goods (CPG) ice cream growth since our launch in August 2024.

On the farm side, our Muadzam Shah farm expansion with the additional 500 acres of land leased from the Pahang State Government has commenced operations. Upon full completion of the expansion, our total capacity in Muadzam Shah will double to more than 7,000 dairy cows.

Going to the end of FY2026 and into the next financial year, we are optimistic of continuing to deliver both tangible progress in terms our category expansion and regional expansion, and recording better financial performance.

We will also continue to drive our ESG agenda in the coming year. Our biogas plant has been completed and commissioned in April 2024, and once fully operational, is targeted to have a reduction of 9,800 tonnes carbon dioxide equivalent (tCO₂e) per annum and a targeted displacement or reduction of diesel usage of 670,000 litres per annum. Our Milk on Tap initiative, selling fresh milk sold in reusable glass bottles has been successfully expanded to 37 locations in Jaya Grocer and Jom Cha outlets across Peninsular Malaysia.

Registration Number: 201001010221 (894851-U)
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Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B4. Profit forecast

Not applicable as the Group did not issue any profit forecast during the financial period under review.

B5. Tax expense

Income tax expenses on continuing operations comprise the following:

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
Tax expense	1,187	788	5,070	2,624
Deferred tax expense	2,030	1,189	4,887	3,525
	<u>3,217</u>	<u>1,977</u>	<u>9,957</u>	<u>6,149</u>

B6. Status of corporate proposals

There were no corporate proposals pending completion as at date of this report.

Registration Number: 201001010221 (894851-U)
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Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B7. Utilisation of proceeds from the Public Issue

The proceeds raised from the Initial Public Offering have been fully utilized as at 31 December 2025.

Details of use of proceeds	Estimated timeframe for the use of proceeds	Initial proposed utilization ⁽¹⁾	Revised proposed utilization	Actual utilization to 31.12.2025	Balance to be utilised
		RM'000	RM'000	RM'000	RM'000
1. Capital expenditure of our Group					
- <i>Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia</i>	Within 24 months	131,237	132,455 ⁽²⁾	(132,455)	--
- <i>Regional expansion outside of Malaysia</i>	Within 24 months	40,000	40,000	(40,000)	--
- <i>Expansion of our production facility in Australia</i>	Within 18 months	4,851	4,851	(4,851)	--
2. Working capital	Within 12 months	40,789	40,789	(40,789)	--
3. Estimated listing expenses	Within 3 months	20,200	18,982	(18,982) ⁽²⁾	--
4. Acquisition of TISSB	On the date of completion of the SSA and SPA (as defined herein)	63,912	63,912	(63,912)	--
		300,989	300,989	(300,989)	--

(1) The initial utilization of the proceeds as disclosed above should be read in conjunction with the Announcement made on 15 February 2023.

(2) The actual listing expenses incurred of RM18.98 million is lower than the estimated amount of RM20.20 million, therefore the excess amount of RM1.22 million will be used for establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B8. Loans and borrowings

	Unaudited 31.12.2025 RM'000	Audited 31.3.2025 RM'000
Non-current		
Unsecured		
Sukuk	225,000	300,000
Secured		
Hire purchase liabilities	1,428	2,481
Term loans	3,366	3,801
	<u>229,794</u>	<u>306,282</u>
Current		
Unsecured		
Sukuk	201,282	3,405
Secured		
Hire purchase liabilities	2,513	6,262
Short term financing	70	27
Term loans	17,894	24,324
Bankers' acceptances	57,082	57,604
	<u>278,841</u>	<u>91,622</u>
	<u>508,635</u>	<u>397,904</u>

The loans and borrowings of the Group are denominated in MYR, except for term loans of RM20.10 million (31.3.2025: RM26.46 million), hire purchase liabilities of RM2.72 million (31.3.2025: RM6.45 million), bankers' acceptances of RM6.25 million (31.3.2025: RM17.94 million) and short term financing of RM0.07 million (31.3.2025: RM0.03 million) which are denominated in AUD.

B9. Material litigations

On 31 March 2021, the Group filed a legal action in Australia against Shepparton Partners Collective Group ("SPC") for various misrepresentations to The Holsten Milk Company (Australia) Pty Ltd ("THMCA") during the course of due diligence of a business acquisition.

The court hearing was conducted in February 2025. On 11 April 2025, the court released a judgement on 11 April 2025 in favour of SPC by dismissing THMCA's legal action.

The Group has lodged an appeal against the decision and is currently waiting for the court to set a hearing for the appeal. As such, in the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B10. Proposed Dividends

The Board of Directors has not recommended any dividend for the current financial period under review.

B11. Earnings per share (“EPS”)

The basic and diluted EPS for the current financial quarter under review is computed as follows:

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	Unaudited 31.12.2025	Unaudited 31.12.2024	Unaudited 31.12.2025	Unaudited 31.12.2024
Net profit attributable to the owners of the Company (RM'000)	32,244	25,864	101,709	78,042
Weighted average number of ordinary shares in issue	<u>1,877,705,108</u>	<u>1,873,455,640</u>	<u>1,877,705,108</u>	<u>1,873,455,640</u>
Basic EPS (sen)	<u>1.72</u>	<u>1.38</u>	<u>5.42</u>	<u>4.17</u>

Diluted earnings per ordinary share

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The diluted EPS for the current financial quarter under review is computed as follows:

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	Unaudited 31.12.2025	Unaudited 31.12.2024	Unaudited 31.12.2025	Unaudited 31.12.2024
Net profit attributable to the owners of the Company (RM'000)	32,244	25,864	101,709	78,042
Weighted average number of ordinary shares in issue	<u>1,877,705,108</u>	<u>1,873,455,640</u>	<u>1,877,705,108</u>	<u>1,873,455,640</u>
Effect of share option in issue	<u>9,013,417</u>	<u>6,569,396</u>	<u>6,637,735</u>	<u>4,217,458</u>
Total weighted average number of ordinary shares	<u>1,886,718,525</u>	<u>1,880,025,036</u>	<u>1,884,342,843</u>	<u>1,877,673,098</u>
Diluted EPS (sen)	<u>1.71</u>	<u>1.38</u>	<u>5.40</u>	<u>4.16</u>

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on the quoted market prices for the period during which the options are outstanding.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B12. Revenue

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
Revenue from contracts with customers				
- At a point in time	284,937	246,426	840,124	737,023
- Over time	123	163	450	428
	<u>285,060</u>	<u>246,589</u>	<u>840,574</u>	<u>737,451</u>

B13. Profit before tax

	Individual quarter 3 months ended		Cumulative quarter 9 months ended	
	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2025 RM'000	Unaudited 31.12.2024 RM'000
Profit for the period is arrived at after charging/(crediting)				
Depreciation and amortisation:				
- property, plant and equipment	13,784	12,472	40,354	35,221
- right-of-use assets	2,878	2,708	8,544	7,507
- intangible assets	236	67	593	202
Equity settled share-based payment	181	621	725	1,574
Impairment loss of trade receivables	717	786	2,107	1,554
Write off of:				
- property, plant and equipment	297	--	533	108
- obsolete and slow-moving inventories	(117)	362	98	433
(Gain)/Loss on disposal of property, plant and equipment	(734)	5	(676)	237
Gain on disposal of intangible asset	(414)	--	(414)	--
Gain on disposal of assets classified as held for sale	226	--	(1,658)	--
Amortisation of deferred income	(111)	(128)	(331)	(263)
Loss arising from changes in fair value of dairy cows and goats	778	476	2,014	3,766
Fair value loss/(gain) on:				
- Derivative financial instruments	--	1,920	85	736
- Other investments	(822)	(594)	(1,432)	(1,981)
Distribution income from money market investments	(173)	(209)	(322)	(1,004)
Realised loss/(gain) on derivative financial instruments	1,148	(2,521)	1,148	(4,522)
Realised (gain)/loss on foreign exchange	(196)	1,497	112	2,376
Unrealised loss on foreign exchange	823	(1,588)	859	46
Personnel expenses (including key management personnel):				
- Contribution to state plans	2,356	1,688	6,870	5,466
- Wages, salaries and others	31,772	22,717	93,141	74,318
Rental income from subleasing of property	(81)	(196)	(216)	(725)
Expenses relating to short-term leases	1,532	1,509	4,255	4,473
Expenses relating to leases of low-value assets	191	158	590	407