

**Farm Fresh Berhad**

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

**Interim Financial Report  
Fourth quarter ended 31 March 2026**

## Farm Fresh Berhad

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### Condensed consolidated statement of financial position as at 31 March 2026

	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Assets</b>		
Property, plant and equipment	617,097	513,490
Right-of-use assets	39,418	36,467
Biological assets	148,267	141,952
Intangible assets	107,750	111,126
Investment in associate	5,778	--
Trade and other receivables	195	268
Deferred tax assets	11,224	9,371
<b>Total non-current assets</b>	<u>929,729</u>	<u>812,674</u>
Inventories	233,354	175,332
Trade and other receivables	319,097	206,665
Current tax assets	3,090	5,446
Derivative financial assets	3,259	86
Other investments	194,446	64,037
Cash and cash equivalents	171,587	58,785
	924,833	510,351
Assets classified as held for sale	13,724	28,144
<b>Total current assets</b>	<u>938,557</u>	<u>538,495</u>
<b>Total assets</b>	<u>1,868,286</u>	<u>1,351,169</u>
<b>Equity</b>		
Share capital	420,077	404,847
Reserves	378,351	295,285
<b>Equity attributable to owners of the Company</b>	798,428	700,132
<b>Non-controlling interests</b>	28,934	28,107
<b>Total equity</b>	<u>827,362</u>	<u>728,239</u>
<b>Liabilities</b>		
Deferred tax liabilities	34,600	24,345
Deferred income	6,972	6,703
Loans and borrowings	426,867	306,282
Lease liabilities	23,571	20,590
Put option liability	75,592	55,833
<b>Total non-current liabilities</b>	<u>567,602</u>	<u>413,753</u>
Current tax liabilities	818	1,116
Deferred income	449	943
Derivative financial liabilities	--	428
Loans and borrowings	286,955	91,622
Lease liabilities	9,401	8,389
Trade and other payables	175,699	106,679
<b>Total current liabilities</b>	<u>473,322</u>	<u>209,177</u>
<b>Total liabilities</b>	<u>1,040,924</u>	<u>622,930</u>
<b>Total equity and liabilities</b>	<u>1,868,286</u>	<u>1,351,169</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>0.43</u>	<u>0.37</u>

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### Condensed consolidated statement of profit or loss and other comprehensive income for the fourth quarter ended 31 March 2026

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2026 RM'000	Unaudited 31.3.2025 RM'000	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Revenue</b>	275,118	243,730	1,115,692	981,181
Cost of sales	(188,334)	(166,289)	(749,562)	(665,947)
<b>Gross profit</b>	86,784	77,441	366,130	315,234
Other income	2,353	2,322	9,599	6,829
Selling and distribution expenses	(26,719)	(21,232)	(102,053)	(88,063)
Administrative expenses	(26,978)	(23,112)	(102,870)	(88,755)
Other expenses	(1,596)	(3,278)	(7,445)	(10,846)
Fair value (loss)/gain on biological assets	(394)	1,210	(2,408)	(2,556)
<b>Results from operating activities</b>	33,450	33,351	160,953	131,843
Finance income	336	253	1,096	1,062
Finance costs	(5,394)	(4,182)	(18,462)	(17,672)
Net finance costs	(5,058)	(3,929)	(17,366)	(16,610)
Share of loss of associate	(606)	--	(693)	--
<b>Profit before tax</b>	27,786	29,422	142,894	115,233
Tax expense	(3,113)	(1,769)	(13,070)	(7,918)
<b>Profit after tax</b>	24,673	27,653	129,824	107,315
<b>Other comprehensive income/ (expense), net of tax Items that are or may be reclassified subsequently to profit or loss</b>				
Foreign currency translation difference:	488	942	(8,802)	(18,875)
Cash flow hedge	6,993	348	2,906	(429)
<b>Other comprehensive income/ (expense) for the period/year</b>	7,481	1,290	(5,896)	(19,304)
<b>Total comprehensive income for the period/year</b>	32,154	28,943	123,928	88,011
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	27,904	28,353	129,613	106,395
Non-controlling interests	(3,231)	(700)	211	920
<b>Profit for the period/year</b>	24,673	27,653	129,824	107,315
<b>Total comprehensive income/ (expense) attributable to:</b>				
Owners of the Company	35,172	29,580	123,329	87,428
Non-controlling interests	(3,018)	(637)	599	583
<b>Total comprehensive income for the period/year</b>	32,154	28,943	123,928	88,011
Basic earnings per ordinary share (sen)	1.48	1.51	6.90	5.68
Diluted earnings per ordinary share (sen)	1.48	1.51	6.87	5.66

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### Condensed consolidated statement of changes in equity for the fourth quarter ended 31 March 2026

	← 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			
<b>At 1 April 2024</b>	399,555	186	--	5,615	(36,955)	298,012	666,413	26,558	692,971
Foreign currency translation differences for foreign operations	--	(18,538)	--	--	--	--	(18,538)	(337)	(18,875)
Cash flow hedge	--	--	(429)	--	--	--	(429)	--	(429)
<b>Total other comprehensive expense for the year</b>	--	(18,538)	(429)	--	--	--	(18,967)	(337)	(19,304)
Profit for the year	--	--	--	--	--	106,395	106,395	920	107,315
<b>Total comprehensive (expense)/income for the year</b>	--	(18,538)	(429)	--	--	106,395	87,428	583	88,011
<i>Contributions by and distributions to owners of the Company</i>									
Dividend to owners of the Company	--	--	--	--	--	(41,228)	(41,228)	--	(41,228)
Issue of shares pursuant to ESOS	5,292	--	--	(908)	--	--	4,384	--	4,384
Share-based payment	--	--	--	1,979	--	--	1,979	--	1,979
Changes in put option liability	--	--	--	--	(18,878)	--	(18,878)	--	(18,878)
	5,292	--	--	1,071	(18,878)	(41,228)	(53,743)	--	(53,743)
Change in ownership interests in a subsidiary	--	--	--	--	--	34	34	299	333
Capital contribution by non-controlling interest	--	--	--	--	--	--	--	667	667
<b>Total transactions with owners of the Company</b>	5,292	--	--	1,071	(18,878)	(41,194)	(53,709)	966	(52,743)
<b>At 31 March 2025</b>	404,847	(18,352)	(429)	6,686	(55,833)	363,213	700,132	28,107	728,239

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### Condensed consolidated statement of changes in equity for the fourth quarter ended 31 March 2026

	← 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			
<b>At 1 April 2025</b>	404,847	(18,352)	(429)	6,686	(55,833)	363,213	700,132	28,107	728,239
Foreign currency translation differences for foreign operations	--	(9,190)	--	--	--	--	(9,190)	388	(8,802)
Cash flow hedge	--	--	2,906	--	--	--	2,906	--	2,906
<b>Total other comprehensive (expense)/ income for the year</b>	--	(9,190)	2,906	--	--	--	(6,284)	388	(5,896)
Profit for the year	--	--	--	--	--	129,613	129,613	211	129,824
<b>Total comprehensive (expense)/income for the year</b>	--	(9,190)	2,906	--	--	129,613	123,329	599	123,928
<i>Contributions by and distributions to owners of the Company</i>									
Dividend to owners of the Company	--	--	--	--	--	(18,775)	(18,775)	--	(18,775)
Issue of shares pursuant to ESOS	15,230	--	--	(2,629)	--	--	12,601	--	12,601
Share-based payment	--	--	--	910	--	--	910	--	910
Changes in put option liability	--	--	--	--	(19,759)	--	(19,759)	--	(19,759)
	15,230	--	--	(1,719)	(19,759)	(18,775)	(25,023)	--	(25,023)
Change in ownership interests in a subsidiary	--	--	--	--	--	(10)	(10)	18	8
Capital contribution by non-controlling interest	--	--	--	--	--	--	--	210	210
<b>Total transactions with owners of the Company</b>	15,230	--	--	(1,719)	(19,759)	(18,785)	(25,033)	228	(24,805)
<b>At 31 March 2026</b>	420,077	(27,542)	2,477	4,967	(75,592)	474,041	798,428	28,934	827,362

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### Condensed consolidated statement of cash flows for the fourth quarter ended 31 March 2026

	12 months ended Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	142,894	115,233
Adjustments for:		
Depreciation and amortisation:		
- property, plant and equipment	54,349	48,080
- right-of-use assets	11,363	10,163
- intangible assets	893	274
Finance income	(1,096)	(1,062)
Finance costs	18,462	17,672
Equity settled share based payment	910	1,979
Impairment loss on trade receivables	2,834	3,551
Bad debts written off	--	213
Property, plant and equipment written off	547	252
Impairment of obsolete and slow-moving inventories	25	438
Gain on disposal of property, plant and equipment	(866)	(262)
Gain on disposal of intangible asset	(460)	--
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	(84)	(110)
Amortisation of deferred income	(443)	(708)
Loss arising from changes in fair value of dairy cows and goats	2,408	2,556
Fair value loss/(gain) on:		
- derivative financial instruments	85	820
- other investments	(2,450)	(2,450)
Distribution income from money market investments	(459)	(1,143)
Unrealised loss/(gain) on foreign exchange	675	(62)
Share of loss in associate	693	--
<b>Operating profit before changes in working capital</b>	<b>228,013</b>	<b>195,434</b>
Change in deferred income	231	2,217
Change in inventories	(57,518)	(17,890)
Change in trade and other receivables	(117,385)	(33,701)
Change in trade and other payables	73,186	13,587
<b>Cash generated from operations</b>	<b>126,527</b>	<b>159,647</b>
Interest received	1,096	1,062
Tax paid	(3,558)	(4,567)
<b>Net cash from operating activities</b>	<b>124,065</b>	<b>156,142</b>
<b>Cash flows from investing activities</b>		
Acquisition of:		
- property, plant and equipment	(180,957)	(106,736)
- biological assets	(31,451)	(24,323)
- intangible assets	(787)	(623)
Net (investment in)/withdrawal from other investments	(127,500)	39,500
Proceeds from disposal of:		
- property, plant and equipment	3,012	2,737
- biological assets	20,987	6,025
- intangible assets	4,032	--
- assets classified as held for sale	23,638	--
<b>Net cash used in investing activities</b>	<b>(289,026)</b>	<b>(83,420)</b>

**Condensed consolidated statement of cash flows for the fourth quarter ended 31 March 2026**  
(continued)

	12 months ended	
	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Cash flows from financing activities</b>		
Interest paid	(14,427)	(16,088)
Dividend paid	(18,775)	(41,228)
Proceeds from shares issued	12,601	4,384
Drawdown of sukuk	325,000	--
Repayment of term loans	(9,410)	(639)
Net proceeds/(payment) from:		
- bankers' acceptances	4,562	4,275
- short-term financing	9	(1,315)
Repayment of hire purchase liabilities	(6,170)	(7,400)
Repayment of lease liabilities	(11,640)	(10,425)
Capital contributed by a non-controlling shareholder	218	1,000
<b>Net cash generated from/(used in) financing activities</b>	<u>281,968</u>	<u>(67,436)</u>
Exchange difference on translation of the financial statements of foreign operation	<u>(4,205)</u>	<u>(4,668)</u>
<b>Net increase in cash and cash equivalents</b>	112,802	618
<b>Cash and cash equivalents at 1 April</b>	<u>58,785</u>	<u>58,167</u>
<b>Cash and cash equivalents at 31 March</b>	<u><u>171,587</u></u>	<u><u>58,785</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:

	12 months ended	
	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
Cash and cash equivalents:		
- cash and bank balances	166,194	57,412
- deposits with licensed banks	5,393	1,373
	<u>171,587</u>	<u>58,785</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 established a Sukuk Wakalah Programme ("Sukuk") of RM1.0 billion in nominal value on 18 May 2021, pursuant to which it has issued a RM125 million Sukuk (Sukuk 3) on 10 October 2025 with a maturity date of 10 October 2030 and a RM200 million Sukuk (Sukuk 4) on 27 February 2026 with a maturity date of 27 February 2031.

The profit rate of Sukuk 3 and Sukuk 4 is 3.74% per annum, and payable semi-annually.

### **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 RM181.0 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 B12, 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
<b>1.1.2026 to 31.3.2026</b>				
External revenue	268,117	7,001	--	275,118
Inter-segment revenue	56,001	35,871	(91,872)	--
Segment profit before tax	<u>27,582</u>	<u>(541)</u>	<u>745</u>	<u>27,786</u>
<b>1.1.2025 to 31.3.2025</b>				
External revenue	228,371	15,359	--	243,730
Inter-segment revenue	44,487	29,972	(74,459)	--
Segment profit/(loss) before tax	<u>36,878</u>	<u>(7,702)</u>	<u>246</u>	<u>29,422</u>
Cumulative quarter (12 months)	Malaysia's Operation RM'000	Australia's Operation RM'000	Intra-group Adjustments RM'000	Total RM'000
<b>1.4.2025 to 31.3.2026</b>				
External revenue	1,060,601	55,091	--	1,115,692
Inter-segment revenue	212,931	149,751	(362,682)	--
Segment profit/(loss) before tax	<u>143,295</u>	<u>(2,161)</u>	<u>1,760</u>	<u>142,894</u>
<b>1.4.2024 to 31.3.2025</b>				
External revenue	881,249	99,932	--	981,181
Inter-segment revenue	168,721	130,840	(299,561)	--
Segment profit/(loss) before tax	<u>125,293</u>	<u>(9,791)</u>	<u>(269)</u>	<u>115,233</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**

The Company had on 15 May 2026, entered into share sale agreements to acquire an ice cream company in Sabah.

**A13. Changes in the composition of the Group**

The Company, had on 26 March 2026 completed the incorporation of Volcanic 8 Sdn Bhd in Malaysia.

The incorporation above did not have material impact on 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		
<b>31.3.2026</b>					
<b>Financial assets</b>					
Derivatives designated as cash flow hedge					
- Commodity future contracts	2,660	--	--	2,660	2,660
- Forward exchange contracts	599	--	--	599	599
Other investments	194,446	--	--	194,446	194,446
	<u>197,705</u>	<u>--</u>	<u>--</u>	<u>197,705</u>	<u>197,705</u>
<b>Financial liabilities</b>					
Hire purchase liabilities	--	--	(2,793)	(2,793)	(2,544)
Term loans	--	--	(18,536)	(18,536)	(18,471)
Sukuk	--	--	(630,808)	(630,808)	(630,808)
Put option liability	--	(61,109)	--	(61,109)	(61,109)
	<u>--</u>	<u>(61,109)</u>	<u>(652,137)</u>	<u>(713,246)</u>	<u>(712,932)</u>
<b>31.3.2025</b>					
<b>Financial assets</b>					
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>
<b>Financial liabilities</b>					
Derivatives designated as cash flow hedge					
- Commodity future contracts	(168)	--	--	(168)	(168)
- Forward exchange contracts	(260)	--	--	(260)	(260)
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 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Contracted but not provided for:</b>		
Plant and equipment	71,312	13,683
Intangible assets	28	385
	<u>71,340</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 (Q4'26 vs Q4'25)

	Individual quarter 3 months ended		Changes %
	31.3.2026 RM'000	31.3.2025 RM'000	
Revenue	275,118	243,730	12.9
Gross profit	86,781	77,441	12.1
Operating profit	33,450	33,351	0.3
Profit before tax	27,786	29,422	(5.6)
Profit after tax	24,673	27,653	(10.8)
Profit attributable to owners of the Company ("PATAMI")	<u>27,904</u>	<u>28,353</u>	<u>(1.6)</u>

The Group's revenue grew by 12.9% or RM31.4 million as compared to the corresponding quarter, mainly driven by increase in Malaysian revenue, fueled by higher mini market, e-commerce and school milk sales. Additionally, higher exports to Cambodia, stronger sales in Philippines 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 12.1% or RM9.3 million in line with the higher topline while the gross profit margin remained consistent at 31.5%.

The Group's operating profit remained consistent and profit before tax decreased by 5.6% or RM1.6 million respectively, primarily driven by the higher distribution costs resulting from increased school milk sales, accompanied with the freight costs arising from exports to Cambodia and Philippines, as well as higher salary costs due to increased headcount to support new Inside Scoop outlet openings and business expansion. The one-off year-end adjustments to advertising and transportation costs by the Philippines operation also contributed to the decrease. Apart from that, the Group recorded a fair value loss on valuation of biological assets of RM0.4 million as opposed to RM1.2 million fair value gain 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 12 months ended		Changes %
	31.3.2026 RM'000	31.3.2025 RM'000	
Revenue	1,115,692	981,181	13.7
Gross profit	366,127	315,234	16.1
Operating profit	160,953	131,843	22.1
Profit before tax	142,894	115,233	24.0
Profit after tax	129,824	107,315	21.0
Profit attributable to owners of the Company ("PATAMI")	<u>129,613</u>	<u>106,395</u>	<u>21.8</u>

The Group achieved a significant milestone as revenue surpassed the RM1 billion mark, reaching RM1.1 billion, an increase of RM134.5 million compared to the corresponding financial period. This strong performance was primarily attributable to the increase in Malaysian revenue by 20.4% or RM179.4 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 44.9% or RM44.8 million due to lower export deliveries.

The Group's posted a gross profit of RM366.1 million, up by 16.1% or RM50.9 million from the same period last year, while gross profit margin improved from 32.1% to 32.8% in the current financial period.

Consequently, the Group's operating profit rose by 22.1% or RM29.1 million while profit before tax increased by 24.0% or RM27.7 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 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.

The Group's profit before tax increased by 24.0% or RM27.7 million mainly due to aforementioned and was partially offset with higher finance cost arising from the issuance of Sukuk 3 and Sukuk 4 amounting to RM125 million and RM200 million respectively.

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

### B2. Comparison with immediate preceding quarter (Q4'26 vs Q3'26)

	Current quarter 31.3.2026 RM'000	Preceding quarter 31.12.2025 RM'000	Changes %
Revenue	275,118	285,060	(3.5)
Gross profit	86,781	93,828	(7.5)
Operating profit	33,450	41,933	(20.2)
Profit before tax	27,786	37,332	(25.6)
Profit after tax	24,673	34,115	(27.7)
Profit attributable to owners of the Company ("PATAMI")	<u>27,904</u>	<u>32,244</u>	<u>(13.5)</u>

The Group's revenue declined by 3.5% or RM9.9 million as compared to the preceding quarter, largely attributable to decrease in Australian revenue arising from lower export deliveries, coupled with the disposal of Taylor sauces business in the preceding quarter. The decrease was also contributed by softer demand from HORECA and CPG ice cream segments during the fasting (puasa) month, which was partially offset by higher school milk sales and increased export sales to Cambodia.

The Group's gross profit decreased by 7.5% or RM7.0 million as compared to the preceding period while gross profit margin decreased by 1.4%, was due to lower revenue and the recognition of a one-off material consumption cost arising from delayed recognition of prior quarter expenses by Philippines operation.

The Group's operating profit decreased by 20.2% or RM8.5 million mainly due to the aforementioned decrease in gross profit, coupled with a one-off year-end adjustment to advertising and transportation costs by the Philippines operation as well as absence of a one-off gain of RM0.9 million from the divestment of a subsidiary recorded in the preceding quarter.

The Group's profit before tax decreased by 25.6% or RM9.5 million mainly due to higher share of loss of associate and higher finance cost in current quarter arising from the issuance of Sukuk 4 amounting to RM200 million on 27 February 2026.

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

### **B3. Prospects for the Group**

We have made significant progress in both our category expansion and regional expansion, despite the lower revenue and profitability numbers in the current quarter. Amidst headwinds experienced globally due to the armed conflict in the Middle East beginning end-February 2026, we are taking bold steps to ensure that the continuity of our operations, product availability and financial performance remain largely unaffected.

#### **Impact of war in the Middle East**

The rapid escalation of hostilities in Middle East has introduced major risks to global economic stability, particularly due to the disruption of shipping lanes essential to international trade in general and specifically to Farm Fresh, supply of plastic bottles. The blockade on Strait of Hormuz has resulted in both a severe shortage of supply and also significant increase in prices of plastic bottles, due to unavailability of high-density polyethylene (HDPE) resin, that relies on naphtha shipped from the Middle East. This affected the supply of our flagship 2-litre and 1-litre fresh milk in plastic bottles. We have taken several steps to address this, which has resolved both the availability and cost pressure resulting from this situation. Firstly, we have increased our gable top paper cartons production to make up for the lack of plastic bottles. Secondly, we have worked with our plastic bottle suppliers to source HDPE resin from China, which has restored our plastic bottle supplies to pre-war levels beginning May 2026, albeit at higher prices. Thirdly, to mitigate the increase in cost from the we have sent notices of price increase of about 3% for the selected plastic bottles products in Malaysia, whilst in Singapore we have increased price by about 10%. The price increases will be affected by early June 2026.

#### **Developments in Malaysia**

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. We are working closely with our distributors to increase the number of freezers and per freezer performance to ensure that the sales traction continues, with ice cream sales picking up in May and June due to seasonality and more SKUs being introduced.

The Group has also entered into Share Sale Agreements to purchase an ice cream company in Sabah, which produces and sells ice cream under the Amelia brand. The company has extensive logistics capability with 25 owned trucks and distribution points of about 3,500 freezers between itself and its distributors in Kota Kinabalu, Tawau and Inanam covering grocery stores, mini marts and supermarkets. This acquisition will enable the Group to immediately own a distribution network and drop points to enable distribution of CPG ice cream products in Sabah, instead of the long process of building our own distribution and sales network. The Group also plans to utilize the space in the Amelia factory to run a pasteurized line for the East Malaysia and Brunei markets.

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.

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

### **B3. Prospects for the Group (continued)**

#### **Regional expansion**

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 and convenience store chain outlets in Phnom Penh, penetrating into major coffee outlets and into general trade with our UHT products, in addition to going beyond Phnom Penh to other major towns such as Siem Reap & Sihanoukville. 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.

Whilst our Philippines results has declined this quarter due to various year-end adjustments, we are poised to record better results with an uptick in UHT sales and continuing take-up of our pasteurized products in Manila. With more utilization of our plant in Manila, we expect the financial results to improve in the next financial year.

Going into the next financial year, there are several headwinds that might impact us, in particular those related to the Middle East war, that might impact us in terms of logistics and costs. With that in mind, we are cautiously optimistic to continue to deliver both tangible progress in terms of our category expansion and regional expansion and recording better financial performance.

## 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 12 months ended	
	Unaudited 31.3.2026 RM'000	Unaudited 31.3.2025 RM'000	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
Tax expense	547	1,474	5,617	4,098
Deferred tax expense	2,566	295	7,453	3,820
	<u>3,113</u>	<u>1,769</u>	<u>13,070</u>	<u>7,918</u>

### B6. Status of corporate proposals

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

### B7. Loans and borrowings

	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Non-current</b>		
<b><i>Unsecured</i></b>		
Sukuk	425,000	300,000
<b><i>Secured</i></b>		
Hire purchase liabilities	1,343	2,481
Term loans	524	3,801
	<u>426,867</u>	<u>306,282</u>
<b>Current</b>		
<b><i>Unsecured</i></b>		
Sukuk	205,808	3,405
<b><i>Secured</i></b>		
Hire purchase liabilities	1,201	6,262
Short term financing	36	27
Term loans	17,947	24,324
Bankers' acceptances	61,963	57,604
	<u>286,955</u>	<u>91,622</u>
	<u>713,822</u>	<u>397,904</u>

The loans and borrowings of the Group are denominated in MYR, except for term loans of RM17.46 million (31.3.2025: RM26.46 million), hire purchase liabilities of RM1.62 million (31.3.2025: RM6.45 million), bankers' acceptances of RM5.31 million (31.3.2025: RM17.94 million) and short term financing of RM0.04 million (31.3.2025: RM0.03 million) which are denominated in AUD.

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

### B8. 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.

### B9. Proposed Dividends

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

### B10. 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 12 months ended	
	Unaudited 31.3.2026	Unaudited 31.3.2025	Unaudited 31.3.2026	Audited 31.3.2025
Net profit attributable to the owners of the Company (RM’000)	27,904	28,353	129,613	106,395
Weighted average number of ordinary shares in issue	<u>1,879,348,526</u>	<u>1,873,862,952</u>	<u>1,879,348,526</u>	<u>1,873,862,952</u>
Basic EPS (sen)	<u>1.48</u>	<u>1.51</u>	<u>6.90</u>	<u>5.68</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 12 months ended	
	Unaudited 31.3.2026	Unaudited 31.3.2025	Unaudited 31.3.2026	Audited 31.3.2025
Net profit attributable to the owners of the Company (RM’000)	27,904	28,353	129,613	106,395
Weighted average number of ordinary shares in issue	1,879,348,526	1,873,862,952	1,879,348,526	1,873,862,952
Effect of share option in issue	<u>8,964,401</u>	<u>5,912,845</u>	<u>7,029,355</u>	<u>4,603,591</u>
Total weighted average number of ordinary shares	1,888,312,927	1,879,775,797	1,886,377,881	1,878,466,543
Diluted EPS (sen)	<u>1.48</u>	<u>1.51</u>	<u>6.87</u>	<u>5.66</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)

### B11. Revenue

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2026 RM'000	Unaudited 31.3.2025 RM'000	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Revenue from contracts with customers</b>				
- At a point in time	275,061	243,592	1,115,185	980,615
- Over time	57	138	507	566
	<u>275,118</u>	<u>243,730</u>	<u>1,115,692</u>	<u>981,181</u>

### B12. Profit before tax

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2026 RM'000	Unaudited 31.3.2025 RM'000	Unaudited 31.3.2026 RM'000	Audited 31.3.2025 RM'000
<b>Profit for the period is arrived at after charging/(crediting)</b>				
Depreciation and amortisation:				
- property, plant and equipment	13,995	12,859	54,349	48,080
- right-of-use assets	2,819	2,656	11,363	10,163
- intangible assets	300	72	893	274
Equity settled share-based payment	185	405	910	1,979
Impairment loss of trade receivables	727	1,997	2,834	3,551
Property, plant and equipment written off (Reversal)/Impairment of obsolete and slow-moving inventories	(73)	5	25	438
Gain on disposal of property, plant and equipment	(190)	(499)	(866)	(262)
Gain on disposal of intangible asset	(46)	--	(460)	--
Gain on disposal of assets classified as held for sale	--	--	(1,658)	--
Amortisation of deferred income	(112)	(445)	(443)	(708)
Loss/(gain) arising from changes in fair value of dairy cows and goats	394	(1,210)	2,408	2,556
Fair value loss/(gain) on:				
- Derivative financial instruments	--	84	85	820
- Other investments	(1,018)	(469)	(2,450)	(2,450)
Distribution income from money market investments	(137)	(139)	(459)	(1,143)
Realised loss/(gain) on derivative financial instruments	228	78	1,376	(4,444)
Realised loss/(gain) on foreign exchange	509	(1)	621	2,375
Unrealised (gain)/loss on foreign exchange	(184)	(108)	675	(62)
Personnel expenses (including key management personnel):				
- Contribution to state plans	2,332	2,292	9,202	7,758
- Wages, salaries and others	32,064	32,637	125,205	106,955
Rental income from subleasing of property	(70)	(102)	(286)	(827)
Expenses relating to short-term leases	1,276	1,318	5,531	5,791
Expenses relating to leases of low-value assets	201	153	791	560