Farm Fresh Berhad

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

Interim Financial Report
First quarter ended 30 June 2026

Farm Fresh Berhad

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

Condensed consolidated statement of financial position
As at 30 June 2026

	Unaudited 30.6.2026 RM'000	Audited 31.3.2026 RM'000
Assets		
Property, plant and equipment	651,458	617,097
Right-of-use assets	40,018	39,418
Biological assets	148,557	148,267
Intangible assets	107,684	107,750
Investment in an associate	5,512	5,778
Trade and other receivables	175	195
Deferred tax assets	11,196	11,308
Total non-current assets	964,600	929,813
Inventories	264,172	233,890
Trade and other receivables	307,260	309,677
Due from an associate	5,232	4,836
Current tax assets	3,253	3,090
Derivative financial assets	3,949	3,259
Other investments	59,119	194,446
Cash and cash equivalents	80,875	171,587
	723,860	920,785
Assets classified as held for sale	9,749	13,724
Total current assets	733,609	934,509
Total assets	1,698,209	1,864,322
Equity		
Share capital	420,758	420,077
Reserves	400,121	378,692
Equity attributable to owners of the Company	820,879	798,769
Non-controlling interests	29,123	29,111
Total equity	850,002	827,880
Liabilities		
Deferred tax liabilities	36,502	34,600
Deferred income	6,873	6,972
Loans and borrowings	426,579	426,867
Lease liabilities	21,508	23,562
Put option liability	34,790	75,592
Total non-current liabilities	526,252	567,593
Deferred income	451	449
Loans and borrowings	100,386	286,955
Lease liabilities	9,730	9,409
Trade and other payables	159,838	171,116
Current tax liabilities	780	920
Put option liability	50,770	--
Total current liabilities	321,955	468,849
Total liabilities	848,207	1,036,442
Total equity and liabilities	1,698,209	1,864,322
Net assets per share attributable to owners of the Company (RM)	0.44	0.43

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Condensed consolidated statement of profit or loss and other comprehensive income for the first quarter ended 30 June 2026

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2026 RM'000	Unaudited 30.6.2025 RM'000
Revenue	306,372	260,577
Cost of sales	(212,792)	(174,097)
Gross profit	93,580	86,480
Other income	1,620	1,195
Selling and distribution expenses	(28,261)	(23,283)
Administrative expenses	(28,971)	(23,422)
Other expenses	(1,123)	(1,797)
Fair value (loss)/gain on biological assets	(624)	878
Results from operating activities	36,221	40,051
Finance income	304	226
Finance costs	(5,556)	(4,232)
Net finance costs	(5,252)	(4,006)
Share of loss of associate	(265)	--
Profit before tax	30,704	36,045
Tax expense	(3,884)	(2,801)
Profit after tax	26,820	33,244
Other comprehensive income/(expense), net of tax		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences	4,014	(2,270)
Cash flow hedge	524	911
Other comprehensive income/(expense) for the period	4,538	(1,359)
Total comprehensive income for the period	31,358	31,885
Profit attributable to:		
Owners of the Company	26,823	32,799
Non-controlling interests	(3)	445
Profit for the period	26,820	33,244
Total comprehensive income attributable to:		
Owners of the Company	31,346	31,419
Non-controlling interests	12	466
Total comprehensive income for the period	31,358	31,885
Basic earnings per ordinary share (sen)	1.42	1.75
Diluted earnings per ordinary share (sen)	1.42	1.74

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Condensed consolidated statement of changes in equity for the first quarter ended 30 June 2026

	Attributable to owners of the Company								
	Non-distributable				Distributable				
	Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Employee share-based reserve RM'000	Put option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity 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	--	(2,291)	--	--	--	--	(2,291)	21	(2,270)
Cash flow hedge	--	--	911	--	--	--	911	--	911
Total other comprehensive (expense)/ income for the period	--	(2,291)	911	--	--	--	1,380	21	(1,359)
Profit for the period	--	--	--	--	--	32,799	32,799	445	33,244
Total comprehensive (expense)/ income for the period	--	(2,291)	911	--	--	32,799	31,419	466	31,885
Contributions by and distributions to owners of the Company									
Issue of shares pursuant to ESOS	2,306	--	--	(395)	--	--	1,911	--	1,911
Share-based payment	--	--	--	363	--	--	363	--	363
Changes in put option liability	--	--	--	--	(1,232)	--	(1,232)	--	(1,232)
Total transactions with owners of the Company	2,306	--	--	(32)	(1,232)	--	1,042	--	1,042
At 30 June 2025	407,153	(20,643)	482	6,654	(57,065)	396,012	732,593	28,573	761,166

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Condensed consolidated statement of changes in equity for the first quarter ended 30 June 2026 (continued)

	Attributable to owners of the Company								
	Non-distributable				Distributable				
	Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Employee share-based reserve RM'000	Put option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2026	420,077	(27,547)	2,477	4,967	(75,592)	474,387	798,769	29,111	827,880
Foreign currency translation differences for foreign operations	--	3,999	--	--	--	--	3,999	15	4,014
Cash flow hedge	--	--	524	--	--	--	524	--	524
Total other comprehensive income for the period	--	3,999	524	--	--	--	4,523	15	4,538
Profit/(Loss) for the period	--	--	--	--	--	26,823	26,823	(3)	26,820
Total comprehensive income for the period	--	3,999	524	--	--	26,823	31,346	12	31,358
Contributions by and distributions to owners of the Company									
Issue of shares pursuant to ESOS	681	--	--	(117)	--	--	564	--	564
Share-based payment	--	--	--	168	--	--	168	--	168
Changes in put option liability	--	--	--	--	(9,968)	--	(9,968)	--	(9,968)
Total transactions with owners of the Company	681	--	--	51	(9,968)	--	(9,236)	--	(9,236)
At 30 June 2026	420,758	(23,548)	3,001	5,018	(85,560)	501,210	820,879	29,123	850,002

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Condensed consolidated statement of cash flows for the first quarter ended 30 June 2026

	3 months ended Unaudited 30.6.2026 RM'000	Unaudited 30.6.2025 RM'000
Cash flows from operating activities		
Profit before tax	30,704	36,045
Adjustments for:		
Depreciation and amortisation:		
- property, plant and equipment	14,605	13,084
- right-of-use assets	3,362	2,820
- intangible assets	285	149
Finance income	(304)	(226)
Finance costs	5,556	4,232
Equity settled share based payment	168	363
Impairment loss on trade receivables	246	624
Property, plant and equipment written off	279	68
Impairment of obsolete and slow-moving inventories	38	152
Loss/(Gain) on disposal of property, plant and equipment	49	(86)
Gain on disposal of assets classified as held for sale	(227)	--
Gain on derecognition of lease	(65)	(24)
Amortisation of deferred income	(113)	(110)
Loss/(Gain) arising from changes in fair value of dairy cows and goats	624	(878)
Fair value (gain)/loss on:		
- derivative financial instruments	--	57
- other investments	(757)	(377)
Distribution income from money market investments	(70)	(94)
Unrealised (gain)/loss on foreign exchange	(162)	22
Share of loss in associate	265	--
Operating profit before changes in working capital	54,483	55,821
Change in inventories	(29,978)	(14,770)
Change in trade and other receivables	2,191	(25,866)
Change in trade and other payables	(12,579)	19,763
Change in due from an associate	(395)	--
Cash generated from operations	13,722	34,948
Interest received	304	226
Tax paid	(2,236)	(1,732)
Net cash from operating activities	11,790	33,442
Cash flows from investing activities		
Acquisition of:		
- property, plant and equipment	(49,123)	(32,991)
- biological assets	(5,280)	(14,139)
- right-of-use assets	(1,438)	--
- intangible assets	(93)	(65)
Net withdrawal from other investments	136,154	31,000
Proceeds from disposal of:		
- property, plant and equipment	1,016	555
- biological assets	4,143	4,517
- assets classified as held for sale	4,376	--
Net cash from/(used in) investing activities	89,755	(11,123)

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Condensed consolidated statement of cash flows for the first quarter ended 30 June 2026
(continued)

	3 months ended	
	Unaudited 30.6.2026 RM'000	**Unaudited 30.6.2025 RM'000**
Cash flows from financing activities		
Interest paid	(7,981)	(6,747)
Proceeds from shares issued	563	1,911
Repayment of sukuk	(200,000)	--
Repayment of term loans	(120)	(166)
Net proceeds from/(payment of):		
- bankers' acceptances	16,317	7,816
- short-term financing	(36)	1,163
Repayment of hire purchase liabilities	(439)	(1,556)
Repayment of lease liabilities	(3,132)	(2,913)
Net cash used in financing activities	(194,828)	(492)
Exchange difference on translation of the financial statements of foreign operation	2,571	779
Net (decrease)/increase in cash and cash equivalents	(90,712)	22,606
Cash and cash equivalents at 1 April	171,587	58,785
Cash and cash equivalents at 30 June	80,875	81,391

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:

	3 months ended	
	Unaudited 30.6.2026 RM'000	**Unaudited 30.6.2025 RM'000**
Cash and cash equivalents:		
- cash and bank balances	80,768	80,011
- deposits with licensed banks	107	1,380
	80,875	81,391

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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 2026 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 2026.

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 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 2026 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

During the current quarter, the Group had redeemed RM200 million Sukuk Wakalah Medium Term Notes ("Sukuk") upon maturity. Other than the above, there were no issuance and repayment of debt and equity securities during the financial period under review.

A8. Dividends paid

There were no dividends paid during the current quarter and financial period under review.

A9. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM 49.1 million during the current quarter and 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, 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 year.

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/ Cumulative quarter (3 months)	**Malaysia's Operation RM'000**	**Australia's Operation RM'000**	**Intra-group Adjustments RM'000**	**Total RM'000**
1.4.2026 to 30.6.2026				
External revenue	279,212	27,160	--	306,372
Inter-segment revenue	69,669	45,859	(115,528)	--
Segment profit before tax	29,691	46	967	30,704
1.4.2025 to 30.6.2025				
External revenue	241,940	18,637	--	260,577
Inter-segment revenue	46,476	31,967	(78,443)	--
Segment profit/(loss) before tax	39,544	(3,408)	(91)	36,045

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

The Company had, on 31 July 2026, completed the acquisition of 100% interest in All Master Express Sdn Bhd and All Master Enterprise Sdn Bhd (Amelia brand ice cream company).

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

A13. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period under review.

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	**Level 3**	**Level 3**		
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
30.6.2026					
Financial assets					
Derivatives designated as cash flow hedge					
- Commodity future contracts s	2,069	--	--	2,069	2,069
- Forward exchange contracts	1,880	--	--	1,880	1,880
Other investments	59,119	--	--	59,119	59,119
	63,068	--	--	63,068	63,068
Financial liabilities					
Hire purchase liabilities	--	--	(2,626)	(2,626)	(2,124)
Term loans	--	--	(18,593)	(18,593)	(18,543)
Sukuk	--	--	(427,982)	(427,982)	(427,982)
Put option liability	--	(85,560)	--	(85,560)	(85,560)
	--	(85,560)	(449,201)	(534,761)	(534,209)
31.3.2026					
Financial assets					
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
	197,705	--	--	197,705	197,705
Financial liabilities					
Hire purchase liabilities	--	--	(2,600)	(2,600)	(2,543)
Term loans	--		(18,498)	(18,498)	(18,471)
Sukuk	--	--	(630,809)	(630,809)	(630,809)
Put option liability	--	(75,592)	--	(75,592)	(75,592)
	--	(75,592)	(651,907)	(727,499)	(727,415)

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 2026.

A16. Capital commitments

	Unaudited 30.6.2026 RM'000	Audited 31.3.2026 RM'000
Contracted but not provided for:		
Plant and equipment	69,883	72,173
Intangible assets	28	28
	69,911	72,201

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

B1. Review of performance

Current quarter against corresponding quarter (Q1'27 vs Q1'26)

	Individual quarter 3 months ended		
	30.6.2026 RM'000	**30.6.2025 RM'000**	**Changes %**
Revenue	306,372	260,577	17.6
Gross profit	93,580	86,480	8.2
Operating profit	36,221	40,051	(9.6)
Profit before tax	30,704	36,045	(14.8)
Profit after tax	26,820	33,244	(19.3)
Profit attributable to owners of the Company ("PATAMI")	26,823	32,799	(18.2)

The Group's revenue grew by 17.6% or RM45.8 million as compared to the corresponding quarter, mainly driven by an increase in Malaysian revenue, fueled by higher mini market and e-commerce sales, along with higher exports to Cambodia and stronger sales in the Philippines. The revenue growth was also supported by the positive sales contribution from new products, i.e. Butter, AusFresh and Farm Fresh Full Cream Milk Powder and further boosted by higher sales of ice cream.

The Group's gross profit increased by 8.2% or RM7.1 million, in line with the higher toplines. However, the gross profit margin contracted from 33.2% to 30.5%, due to higher contributions from Australia, Cambodia and the Philippines, which carried lower margins. This was further exacerbated by higher input costs, particularly the surge in fuel and plastic bottle prices, amid supply disruptions arising from the blockage of the Strait of Hormuz, following the Middle East Conflict. While the Group increased prices by about 3% for selected plastic bottle products in Malaysia as well as a 10% price increase in Singapore, the price increase was only effective towards the end of the quarter.

The Group's operating profit decreased by 9.6% or RM3.8 million, primarily driven by higher distribution costs arising from increased exports to Cambodia and the Philippines. This was further impacted by higher salary costs associated with the hiring of more management personnel across the Group, as well as increased headcount to support new Inside Scoop outlet openings. The Group also recorded a fair value loss on valuation of biological assets of RM0.6 million as opposed to RM0.9 million fair value gain in the corresponding quarter.

The Group's profit before tax decreased by 14.8% or RM5.3 million, mainly due to the factors mentioned above, coupled with higher finance expenses following the drawdown of RM125 million in Q3'26 and a further RM200 million in Q4'26 under the Sukuk programme.

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

B2. Comparison with immediate preceding quarter (Q1’27 vs Q4’26)

	Current quarter 30.6.2026 RM’000	Preceding quarter 31.3.2026 RM’000	Changes %
Revenue	306,372	274,864	11.5
Gross profit	93,580	87,320	7.2
Operating profit	36,221	33,987	6.6
Profit before tax	30,704	28,322	8.4
Profit after tax	26,820	25,198	6.4
Profit attributable to owners of the Company (“PATAMI”)	26,823	28,250	(5.1)

The Group’s revenue grew by 11.5% or RM31.5 million as compared to the preceding quarter, underpinned by the increase in Malaysian revenue, which was supported by the recovery in HORECA and CPG ice cream segments, following the seasonal impact of the fasting (puasa) month in the preceding quarter, coupled with higher sales from mini markets, e-commerce and exports to Cambodia. The Australian operations further boosted revenue by RM8.9 million, due to higher GVC external sales.

The Group’s gross profit increased by 7.2% or RM6.3 million, in line with the higher toplines. However, the gross profit margin decreased from 31.8% to 30.5%, primarily due to higher input costs, particularly the surge in fuel and plastic bottle prices, amid supply disruptions arising from the blockage of the Strait of Hormuz following the Middle East Conflict. The Group’s price increase of about 3% for selected plastic bottle products in Malaysia and the 10% price increase in Singapore, was only affected towards the end of the quarter.

Correspondingly, the Group’s operating profit and profit before tax increased by RM2.2 million and RM2.4 million respectively, primarily driven by the aforementioned higher gross profit, which was partially offset by higher e-commerce transaction fees in line with higher e-commerce sales.

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 headwinds from the conflict in the Middle East, which has impacted the current quarter financial results.

The impact of the conflict in the Middle East is significant in that it has resulted in a higher cost of plastic resin, which translated into higher plastic bottle prices. The significantly higher diesel price has increased our fuel costs across both our factory and farm operations. In order to mitigate the increase in costs, we have increased prices by 3% for selected plastic bottle products in Malaysia, whilst in Singapore, we have increased prices by about 10%. As the price increases was only affected at the end of the quarter, the full impact will only be seen in the 2Q FY2027.

In addition to the price increase, we have also reviewed our use of diesel, and have made the transition to LNG at our Muadzam Shah factory, with the work starting in June and completed in mid-August. The switch to LNG has resulted in significant savings, i.e. cutting the cost of diesel by half. We will be rolling this out to our other locations, such as Taiping and Larkin.

Since we started exporting our dairy products to Cambodia at the end of August 2025, our Cambodia exports, on a monthly basis, have increased significantly and are now exceeding our exports to Singapore. Our factory is also close to completion, and slated to start operations in October 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 Cambodian and Indochina markets.

We have also started work on our Cambodia Farm, situated in Pursat province, about 280km from Phnom Penh. We are leasing a piece of concession land granted by the Cambodian Government for 49 years. The land is very suitable for dairy farming, with low humidity enabling the Group to bring in pure Holstein cows and achieve high milk yields. The topography is mostly flat land which should enable the Group to plant various feed crops and have high levels of mechanization, leading to lower feed costs overall. The total investment in the farm is expected to be about USD 68 million, over 7 years, to be funded by the Group and its partners in Cambodia. The dairy herd is expected to grow gradually, over phases, eventually reaching 10,000 dairy cows.

Our Philippines results have improved this quarter and we are poised to record better results, with an uptick in UHT sales and continued take-up of our pasteurized products in Manila. With more utilization of our plant in Manila, we expect the financial results to improve over the next few quarters.

Our Enstek plant, slated to be operational in October 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 growth in consumer-packaged goods (CPG) ice cream seen 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.

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

B3. Prospects for the Group (continued)

With the completion of the acquisition of the Amelia ice cream company in Sabah, the Group now has at its disposal an expanded 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. The Group is planning to start CPG ice cream products sales in Sabah. It will also utilize space in the Amelia factory to run a pasteurized line. The Group will tap into the available distribution network to distribute a wide range of products.

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.

Based on the foregoing, we are optimistic that the Group can continue to deliver both tangible progress in terms our category expansion and regional expansion, resulting in better financial performance.

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/Cumulative quarter 3 months ended	
	Unaudited 30.6.2026 RM'000	**Unaudited 30.6.2025 RM'000**
Tax expense	1,933	1,781
Deferred tax expense	1,951	1,020
	3,884	2,801

B6. Status of corporate proposals

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

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

B7. Loans and borrowings

	Unaudited 30.6.2026 RM'000	Audited 31.3.2026 RM'000
Non-current		
Unsecured		
Sukuk	425,000	425,000
Secured		
Hire purchase liabilities	1,183	1,343
Term loans	396	524
	426,579	426,867
Current		
Unsecured		
Sukuk	2,982	205,809
Secured		
Hire purchase liabilities	941	1,200
Short term financing	--	36
Term loans	18,147	17,947
Bankers' acceptances	78,316	61,963
	100,386	286,955
	526,965	713,822

The loans and borrowings of the Group are denominated in MYR, except for term loans of RM17.65 million (31.3.2026: RM17.46 million), hire purchase liabilities of RM1.53 million (31.3.2026: RM1.62 million), bankers' acceptances of RM5. million (31.3.2026: RM9.43 million) and short-term financing (31.3.2026: RM0.04 million) which are denominated in AUD.

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. 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)

B9. Proposed Dividends

On 23 July 2026, the Board of Directors recommended a final single-tier dividend of 2.00 sen per ordinary share, totaling RM 37.7 million, in respect of the financial year ended 31 March 2026, subject to the approval of the shareholders at the forthcoming Annual General Meeting, which will be payable on 16 October 2026 to shareholders whose names appear in the Record of Depositors of the Company, at the close of business on 2 October 2026.

B10. Earnings per share ("EPS")

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

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2026	**Unaudited 30.6.2025**
Net profit attributable to the owners of the Company (RM'000)	26,823	32,799
Weighted average number of ordinary shares in issue	1,884,612,282	1,876,074,962
Basic EPS (sen)	1.42	1.75

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/Cumulative quarter 3 months ended	
	Unaudited 30.6.2026	**Unaudited 30.6.2025**
Net profit attributable to the owners of the Company (RM'000)	26,823	32,799
Weighted average number of ordinary shares in issue	1,884,612,282	1,876,074,962
Effect of share option in issue	10,940,065	6,178,279
Total weighted average number of ordinary shares	1,895,552,347	1,882,253,241
Diluted EPS (sen)	1.42	1.74

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.

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

B11. Revenue

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2026 RM'000	Unaudited 30.6.2025 RM'000
Revenue from contracts with customers		
- At a point in time	306,330	260,415
- Over time	42	162
	306,372	260,577

B12. Profit before tax

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2026 RM'000	Unaudited 30.6.2025 RM'000
Profit for the period is arrived at after charging/(crediting)		
Depreciation and amortisation:		
- property, plant and equipment	14,605	13,084
- right-of-use assets	3,362	2,820
- intangible assets	285	149
Equity settled share-based payment	168	363
Impairment loss of trade receivables	246	624
Property, plant and equipment written off	279	68
Impairment of obsolete and slow-moving inventories	38	152
Loss/(Gain) on disposal of property, plant and equipment	49	(86)
Gain on disposal of assets classified as held for sale	(227)	--
Amortisation of deferred income	(113)	(110)
Loss/(Gain) arising from changes in fair value of dairy cows and goats	624	(878)
Fair value loss/(gain) on:		
- Derivative financial instruments	--	57
- Other investments	(757)	(377)
Distribution income from money market investments	(70)	(94)
Realised loss on foreign exchange	62	277
Unrealised (gain)loss on foreign exchange	(162)	22
Personnel expenses (including key management personnel):		
- Contribution to state plans	2,699	2,120
- Wages, salaries and others	32,732	29,477
Rental income from subleasing of property	(60)	(75)
Expenses relating to short-term leases	1,393	1,289
Expenses relating to leases of low-value assets	181	226