

Farm Fresh Berhad

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

**Interim Financial Report
Third quarter ended 31 December 2024**

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Condensed consolidated statement of financial position as at 31 December 2024

| | Unaudited 31.12.2024 RM'000 | Audited 31.3.2024 RM'000 |
|--|-----------------------------------|--------------------------------|
| Assets | | |
| Property, plant and equipment | 524,430 | 494,633 |
| Right-of-use assets | 36,881 | 33,124 |
| Biological assets | 141,418 | 133,284 |
| Intangible assets | 111,421 | 112,826 |
| Trade and other receivables | 515 | 563 |
| Deferred tax assets | 7,900 | 8,926 |
| Total non-current assets | <u>822,565</u> | <u>783,356</u> |
| Inventories | 187,179 | 156,299 |
| Trade and other receivables | 185,170 | 176,433 |
| Current tax assets | 4,483 | 4,509 |
| Derivative financial assets | 170 | 893 |
| Cash and cash equivalents | 54,427 | 58,167 |
| Other investments | 76,429 | 99,944 |
| Total current assets | <u>507,858</u> | <u>496,245</u> |
| Total assets | <u><u>1,330,423</u></u> | <u><u>1,279,601</u></u> |
| Equity | | |
| Share capital | 404,487 | 399,555 |
| Reserves | 281,502 | 266,858 |
| Equity attributable to owners of the Company | <u>685,989</u> | <u>666,413</u> |
| Non-controlling interests | <u>28,577</u> | <u>26,558</u> |
| Total equity | <u>714,566</u> | <u>692,971</u> |
| Liabilities | | |
| Deferred tax liabilities | 21,943 | 19,161 |
| Deferred income | 7,124 | 5,955 |
| Loans and borrowings | 331,908 | 338,365 |
| Lease liabilities | 20,796 | 16,742 |
| Put option liability | 39,555 | 36,955 |
| Total non-current liabilities | <u>421,326</u> | <u>417,178</u> |
| Current tax liabilities | 717 | 648 |
| Deferred income | 941 | 271 |
| Derivative financial liabilities | 1,023 | -- |
| Loans and borrowings | 74,089 | 67,648 |
| Lease liabilities | 8,429 | 8,010 |
| Trade and other payables | 109,332 | 92,875 |
| Total current liabilities | <u>194,531</u> | <u>169,452</u> |
| Total liabilities | <u>615,857</u> | <u>586,630</u> |
| Total equity and liabilities | <u><u>1,330,423</u></u> | <u><u>1,279,601</u></u> |
| Net assets per share attributable to owners of the Company (RM) | <u>0.37</u> | <u>0.36</u> |

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Condensed consolidated statement of profit or loss and other comprehensive income for the third quarter ended 31 December 2024

| | Individual quarter 3 months ended | | Cumulative quarter 9 months ended | |
|---|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 |
| Revenue | 246,589 | 211,621 | 737,451 | 595,377 |
| Cost of sales | (165,570) | (145,990) | (499,658) | (444,667) |
| Gross profit | 81,019 | 65,631 | 237,793 | 150,710 |
| Other income | 1,528 | 1,911 | 4,507 | 9,459 |
| Selling and distribution expenses | (22,297) | (18,849) | (66,831) | (49,357) |
| Administrative expenses | (23,493) | (17,886) | (65,643) | (49,111) |
| Other expenses | (3,865) | (1,742) | (7,568) | (3,878) |
| Fair value loss on biological assets | (475) | (547) | (3,766) | (1,412) |
| Results from operating activities | 32,417 | 28,518 | 98,492 | 56,411 |
| Finance income | 286 | 339 | 809 | 733 |
| Finance costs | (4,547) | (4,825) | (13,490) | (12,923) |
| Net finance costs | (4,261) | (4,486) | (12,681) | (12,190) |
| Profit before tax | 28,156 | 24,032 | 85,811 | 44,221 |
| Tax expense | (1,977) | (3,470) | (6,149) | (4,955) |
| Profit after tax | 26,179 | 20,562 | 79,662 | 39,266 |
| Other comprehensive (expense)/ income, net of tax | | | | |
| Items that are or may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation difference: | (4,624) | 5,948 | (19,817) | 9,508 |
| Cash flow hedge | 3,912 | -- | (777) | -- |
| Other comprehensive (expense)/ income for the period | (712) | 5,948 | (20,594) | 9,508 |
| Total comprehensive income for the period | <u>25,467</u> | <u>26,510</u> | <u>59,068</u> | <u>48,774</u> |
| Profit/(Loss) attributable to: | | | | |
| Owners of the Company | 25,864 | 20,441 | 78,042 | 39,601 |
| Non-controlling interests | 315 | 121 | 1,620 | (335) |
| Profit for the period | <u>26,179</u> | <u>20,562</u> | <u>79,662</u> | <u>39,266</u> |
| Total comprehensive income/ (expense) attributable to: | | | | |
| Owners of the Company | 25,260 | 26,095 | 57,848 | 48,815 |
| Non-controlling interests | 207 | 415 | 1,220 | (41) |
| Total comprehensive income for the period | <u>25,467</u> | <u>26,510</u> | <u>59,068</u> | <u>48,774</u> |
| Basic earnings per ordinary share (sen) | <u>1.38</u> | <u>1.09</u> | <u>4.17</u> | <u>2.12</u> |
| Diluted earnings per ordinary share (sen) | <u>1.38</u> | <u>1.09</u> | <u>4.16</u> | <u>2.12</u> |

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Condensed consolidated statement of changes in equity for the third quarter ended 31 December 2024

| Unaudited | ← 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 | Non-distributable Employee share-based reserve RM'000 | Put option reserve RM'000 | Distributable Retained earnings RM'000 | | | |
| At 1 April 2023 | 381,071 | (6,634) | 3,642 | -- | 252,926 | 631,005 | 4,897 | 635,902 |
| Foreign currency translation differences for foreign operations/ Total other comprehensive expense for the period | -- | 9,214 | -- | -- | -- | 9,214 | 294 | 9,508 |
| Profit/(Loss) for the period | -- | -- | -- | -- | 39,601 | 39,601 | (335) | 39,266 |
| Total comprehensive income/(expense) for the period | -- | 9,214 | -- | -- | 39,601 | 48,815 | (41) | 48,774 |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | |
| Acquisition of a subsidiary | -- | -- | -- | -- | -- | -- | 15,350 | 15,350 |
| Dividend payable to owners of the Company | -- | -- | -- | -- | (18,719) | (18,719) | -- | (18,719) |
| Issue of shares | 20,000 | -- | -- | -- | -- | 20,000 | -- | 20,000 |
| Issue of shares pursuant to ESOS | 852 | -- | (146) | -- | -- | 706 | -- | 706 |
| Share-based payment | -- | -- | 1,580 | -- | -- | 1,580 | -- | 1,580 |
| Put option liability over shares held by non-controlling interests | -- | -- | -- | (34,510) | -- | (34,510) | -- | (34,510) |
| Changes in put option liability | -- | -- | -- | (1,630) | -- | (1,630) | -- | (1,630) |
| Total transactions with owners of the Company | 20,852 | -- | 1,434 | (36,140) | (18,719) | (32,573) | 15,350 | (17,223) |
| At 31 December 2023 | 401,923 | 2,580 | 5,076 | (36,140) | 273,808 | 647,247 | 20,206 | 667,453 |

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Condensed consolidated statement of changes in equity for the third quarter ended 31 December 2024 (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 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 income 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 income/(expense) 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 payable 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 |

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Condensed consolidated statement of cash flows for the third quarter ended 31 December 2024

| | 9 months ended | |
|---|-----------------------------------|-----------------------------------|
| | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 85,811 | 44,221 |
| Adjustments for: | | |
| Depreciation and amortisation: | | |
| - property, plant and equipment | 35,221 | 29,166 |
| - right-of-use assets | 7,507 | 5,770 |
| - intangible assets | 202 | 202 |
| Finance income | (809) | (733) |
| Finance costs | 13,490 | 12,923 |
| Equity settled share based payment | 1,574 | 1,518 |
| Impairment loss on trade receivables | 1,554 | 578 |
| Bad debts written off | 213 | -- |
| (Reversal)/Write off of: | | |
| - property, plant and equipment | 108 | 169 |
| - obsolete and slow-moving inventories | 433 | (159) |
| Loss/(Gain) on disposal of property, plant and equipment | 237 | (633) |
| Gain on derecognition of lease | (69) | -- |
| Amortisation of deferred income | (263) | (203) |
| Net fair value loss/(gain) on: | | |
| - Biological assets | 3,766 | 1,412 |
| - Derivative financial instruments | 736 | (2,182) |
| - Other investments | (1,981) | (1,847) |
| Distribution income from other investments | (1,004) | (2,206) |
| Unrealised loss/(gain) on foreign exchange | 46 | (31) |
| Operating profit before changes in working capital | 146,772 | 87,965 |
| Change in deferred income | 2,103 | -- |
| Change in inventories | (30,235) | 16,179 |
| Change in trade and other receivables | (10,455) | (30,310) |
| Change in trade and other payables | 16,222 | 32,292 |
| Cash generated from operations | 124,407 | 106,126 |
| Interest received | 809 | 733 |
| Tax paid | (2,864) | (2,508) |
| Net cash from operating activities | 122,352 | 104,351 |
| Cash flows from investing activities | | |
| Acquisition of: | | |
| - property, plant and equipment | (80,196) | (75,872) |
| - biological assets | (18,964) | (14,472) |
| - right-of-use assets | -- | (2,636) |
| - intangible assets | (415) | (913) |
| - subsidiary, net of cash and cash equivalents acquired | -- | (64,046) |
| Net withdrawal from other investments | 26,500 | 24,000 |
| Proceeds from disposal of: | | |
| - property, plant and equipment | 1,909 | 3,390 |
| - biological assets | 3,514 | 3,972 |
| Net cash used in investing activities | (67,652) | (126,577) |

Condensed consolidated statement of cash flows for the third quarter ended 31 December 2024
(continued)

| | 9 months ended | |
|---|--|--|
| | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 |
| Cash flows from financing activities | | |
| Interest paid | (15,206) | (14,189) |
| Dividend paid | (41,229) | (18,719) |
| Proceeds from shares issued | 4,085 | 706 |
| Drawdown of sukuk | -- | 100,000 |
| Repayment of term loans | (475) | (421) |
| Net (payment)/proceeds from: | | |
| - bankers' acceptances | 13,179 | 801 |
| - revolving credits | -- | (14,760) |
| - short-term financing | (1,310) | (776) |
| Repayment of hire purchase liabilities | (5,441) | (5,447) |
| Repayment of lease liabilities | (7,708) | (5,367) |
| Capital contributed by a minority shareholder | 833 | -- |
| Net cash (used in)/from financing activities | <u>(53,272)</u> | <u>41,828</u> |
| Exchange difference on translation of the financial statements of foreign operation | <u>(5,168)</u> | <u>3,301</u> |
| Net (decrease)/increase in cash and cash equivalents | <u>(3,740)</u> | <u>22,903</u> |
| Cash and cash equivalents at 1 April | <u>58,167</u> | <u>22,970</u> |
| Cash and cash equivalents at 31 December | <u><u>54,427</u></u> | <u><u>45,873</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 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 |
| Cash and cash equivalents: | | |
| - cash and bank balances | 53,062 | 44,540 |
| - deposits with licensed banks | 1,365 | 1,333 |
| | <u><u>54,427</u></u> | <u><u>45,873</u></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 2024 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 2024.

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 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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*

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

- 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*

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

A2. Material accounting policies (continued)

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.

A3. Auditors' report

The audited consolidated financial statements for the financial year ended 31 March 2024 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

There were no debt and equity securities issued during the financial period under review.

A8. Dividends paid

On 28 November 2024, the Board of Directors declared an interim single-tier dividend of 1.00 sen per ordinary share totaling RM18.7 million for the financial year ended 31 March 2025. It was paid on 27 December 2024 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 13 December 2024. The dividend was accounted for in equity as an appropriation of retained earnings in the current quarter under review.

A9. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM82.5 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 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.

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 |
|--------------------------------|-----------------------------------|------------------------------------|--------------------------------------|-----------------|
| 1.10.2024 to 31.12.2024 | | | | |
| External revenue | 225,577 | 21,012 | -- | 246,589 |
| Inter-segment revenue | 43,145 | 30,281 | (73,426) | -- |
| Segment profit before tax | <u>30,044</u> | <u>(2,399)</u> | <u>511</u> | <u>28,156</u> |
| 1.10.2023 to 31.12.2023 | | | | |
| External revenue | 183,944 | 27,677 | -- | 211,621 |
| Inter-segment revenue | 31,642 | 21,703 | (53,345) | -- |
| Segment profit before tax | <u>25,458</u> | <u>(1,146)</u> | <u>(280)</u> | <u>24,032</u> |
| Cumulative quarter (9 months) | Malaysia's Operation RM'000 | Australia's Operation RM'000 | Intra-group Adjustments RM'000 | Total RM'000 |
| 1.4.2024 to 31.12.2024 | | | | |
| External revenue | 652,878 | 84,573 | -- | 737,451 |
| Inter-segment revenue | 124,234 | 100,868 | (225,102) | -- |
| Segment profit before tax | <u>88,415</u> | <u>(2,089)</u> | <u>(515)</u> | <u>85,811</u> |
| 1.4.2023 to 31.12.2023 | | | | |
| External revenue | 506,280 | 89,097 | -- | 595,377 |
| Inter-segment revenue | 88,798 | 90,306 | (179,104) | -- |
| Segment profit before tax | <u>50,953</u> | <u>(5,576)</u> | <u>(1,156)</u> | <u>44,221</u> |

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

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

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

A13. Changes in the composition of the Group

The Company, had on 6 November 2024 completed the incorporation of PT. Farm Fresh Nusantara in Indonesia.

The Company, had on 23 December 2024 completed the incorporation of PT. Wira Farm Fresh in Indonesia.

The incorporations above did not have material impact to the Group during the 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 RM'000 | Level 3 RM'000 | Level 3 RM'000 | RM'000 | RM'000 |
| 31.12.2024 | | | | | |
| Financial assets | | | | | |
| Derivatives at fair value through profit or loss | | | | | |
| - Interest rate swap | 170 | -- | -- | 170 | 170 |
| Other investments | 76,429 | -- | -- | 76,429 | 76,429 |
| | <u>76,599</u> | <u>--</u> | <u>--</u> | <u>76,599</u> | <u>76,599</u> |
| Financial liabilities | | | | | |
| Derivatives designated as cash flow hedge | | | | | |
| - Forward exchange contracts | (1,023) | -- | -- | (1,023) | (1,023) |
| Hire purchase liabilities | -- | -- | (10,861) | (10,861) | (10,669) |
| Term loans | -- | -- | (28,305) | (28,305) | (28,208) |
| Sukuk | -- | -- | (300,473) | (300,473) | (300,473) |
| Put option liability | -- | (39,555) | -- | (39,555) | (39,555) |
| | <u>(1,023)</u> | <u>(39,555)</u> | <u>(339,639)</u> | <u>(380,217)</u> | <u>(379,928)</u> |
| 31.3.2024 | | | | | |
| Financial assets | | | | | |
| Commodity future contracts | 426 | -- | -- | 426 | 426 |
| Forward exchange contracts | 7 | -- | -- | 7 | 7 |
| Interest rate swap | 460 | -- | -- | 460 | 460 |
| Other investments | 99,944 | -- | -- | 99,944 | 99,944 |
| | <u>100,837</u> | <u>--</u> | <u>--</u> | <u>100,837</u> | <u>100,837</u> |
| Financial liabilities | | | | | |
| Hire purchase liabilities | -- | -- | (14,916) | (14,916) | (14,706) |
| Term loans | -- | -- | (31,734) | (31,734) | (31,553) |
| Sukuk | -- | -- | (303,366) | (303,366) | (303,366) |
| Put option liability | -- | (36,955) | -- | (36,955) | (36,955) |
| | <u>--</u> | <u>(36,955)</u> | <u>(350,016)</u> | <u>(386,971)</u> | <u>(386,580)</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 2024.

A16. Capital commitments

| | Unaudited 31.12.2024 RM'000 | Audited 31.3.2024 RM'000 |
|---|-----------------------------------|--------------------------------|
| Contracted but not provided for: | | |
| Plant and equipment | 8,677 | 7,044 |
| Intangible assets | 367 | 288 |
| | <u>9,044</u> | <u>7,332</u> |

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

B1. Review of performance

Current quarter against corresponding quarter (Q3'25 vs Q3'24)

| | Individual quarter 3 months ended | | Changes % |
|--|--------------------------------------|----------------------|--------------|
| | 31.12.2024 RM'000 | 31.12.2023 RM'000 | |
| Revenue | 246,589 | 211,621 | 16.5 |
| Gross profit | 81,019 | 65,631 | 23.4 |
| Operating profit | 32,417 | 28,518 | 13.7 |
| Profit before tax | 28,156 | 24,032 | 17.2 |
| Profit after tax | 26,179 | 20,562 | 27.3 |
| Profit attributable to owners of the Company ("PATAMI") | <u>25,864</u> | <u>20,441</u> | <u>26.5</u> |

The Group's revenue increased by 16.5% or RM35.0 million as compared to the corresponding period, mainly attributable to the increase in Malaysian revenue underpinned by positive sales contribution from launching of new products i.e. Farm Fresh Grow, Farm Fresh Choco Malt, Farm Fresh Full Cream Milk Powder and Farm Fresh Cream Hauz consumer-packaged goods (CPG) ice cream, and partly offset by a decrease in Australian revenue due to lower external sales from Goulburn Valley Creamery Pty Ltd.

The Group's gross profit increased by 23.4% or RM15.4 million while the gross profit margin increased from 31.0% to 32.9% mainly attributable to increased sales of higher margin products and further boosted by lower cost of dairy raw materials.

Consequently, operating profit and profit before tax increased by RM3.9 million and RM4.1 million respectively mainly due to the aforementioned increase in gross margin, which was partially offset by higher administrative costs, including salary and depreciation costs with the increase of Inside Scoop outlets.

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'25 vs FY'24)

| | Cumulative quarter 9 months ended | | Changes % |
|--|--------------------------------------|----------------------|--------------|
| | 31.12.2024 RM'000 | 31.12.2023 RM'000 | |
| Revenue | 737,451 | 595,377 | 23.9 |
| Gross profit | 237,793 | 150,710 | 57.8 |
| Operating profit | 98,492 | 56,411 | 74.6 |
| Profit before tax | 85,811 | 44,221 | 94.1 |
| Profit after tax | 79,662 | 39,266 | 102.9 |
| Profit attributable to owners of the Company ("PATAMI") | <u>78,042</u> | <u>39,601</u> | <u>94.6</u> |

The Group's revenue increased by 23.9% or RM142.1 million as compared to the corresponding financial period, mainly attributable to the increase in Malaysian revenue by 27.3% or RM138.3 million underpinned by positive sales contribution from launching of new products i.e. Farm Fresh Grow, Farm Fresh Choco Malt and CPG ice cream, coupled with higher commercial UHT sales and school milk sales, as well as full period sales contribution from Inside Scoop (acquired in end-May 2023) and Sin Wah (acquired in end-November 2023). However, Australian revenue decreased by 5.1% or RM4.5 million due to lower external sales from Goulburn Valley Creamery Pty Ltd.

The Group's posted a gross profit of RM237.8 million, up 57.8% from the same period last year, while gross profit margin surged from 25.3% to 32.2% in the current financial period. The increase in profitability was mainly driven by reduction in input costs of dairy raw materials and further boosted by contributions from Inside Scoop and Sin Wah, as well as improving margins from Australian operations following the reduction in season farmgate prices by about 11% beginning July 2024.

Consequently, the Group's operating profit increased by 74.6% or RM42.1 million and profit before tax grew by almost twofold from RM44.2 million to RM85.8 million, mainly driven by higher revenues and bolstered by decreased costs.

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

B2. Comparison with immediate preceding quarter (Q3'25 vs Q2'25)

| | Current quarter 31.12.2024 RM'000 | Preceding quarter 30.9.2024 RM'000 | Changes % |
|--|--|---|--------------|
| Revenue | 246,589 | 249,163 | (1.0) |
| Gross profit | 81,019 | 83,828 | (3.4) |
| Operating profit | 32,417 | 33,575 | (3.4) |
| Profit before tax | 28,156 | 29,311 | (3.9) |
| Profit after tax | 26,179 | 26,972 | (2.9) |
| Profit attributable to owners of the Company ("PATAMI") | <u>25,864</u> | <u>26,183</u> | <u>(1.2)</u> |

The Group's revenue dipped by 1.0% or RM2.6 million as compared to the preceding quarter, mainly attributable to the decrease in Australian revenue by 17.2% or RM4.4 million due to lower external sales from Goulburn Valley Creamery Pty Ltd. This was partially offset by increase in Malaysian revenue by RM1.2 million driven by sales contribution from new products i.e. Farm Fresh Grow, Farm Fresh Full Cream Milk Powder and CPG ice cream.

The Group's gross profit decreased by 3.4% or RM2.8 million as compared to the preceding period while the gross profit margin dipped from 33.6% to 32.9%, mainly attributable to the lower margin from Australian operations due to higher production costs associated with lower sales order during year end holiday season.

Consequently, both operating profit and profit before tax decreased by RM1.2 million mainly due to the aforementioned decrease in gross margin.

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

B3. Prospects for the Group

Prospects

The Group has posted a strong set of third-quarter results, while the progress that we have made in both our category expansion and regional expansion are poised to make us continue the momentum into 2025.

We have seen strong demand for our consumer-packaged goods (CPG) ice cream since the launch in August 2024. Consequently, we are expediting the expansion of capacity for ice cream production at our Taiping plant, while waiting for the Enstek plant to be completed towards end-2025.

Our choco malt product in powder format, launched in July 2024 also has gained more traction in the market, aided by the introduction of a 35g sachet format, as well as the 1kg and 2kg formats for modern trade / mini market and food services channel respectively. Additionally, our full cream milk powder has also hit the shelves, while butter and cultured milk will be launched in the first half of 2025.

On the farm side, our Muadzam Shah farm expansion with the additional 500 acres of land leased from the Pahang State Government is expected to commence operations in mid-2025. This expansion will double our total capacity in Muadzam Shah to 6,000 dairy cows.

Our plans to expand regionally are also taking shape in the Philippines, where we have commenced our factory operations in end-September 2024. We are planning to have our chilled products, UHT products and milk powder products sold in the Philippines, focusing first on the Greater Manila market.

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 29 locations in Jaya Grocer and Jom Cha outlets across Peninsular Malaysia.

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 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 |
| Tax expense | 788 | 363 | 2,624 | 1,208 |
| Deferred tax expense | 1,189 | 3,107 | 3,525 | 3,747 |
| | <u>1,977</u> | <u>3,470</u> | <u>6,149</u> | <u>4,955</u> |

B6. Status of corporate proposals

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

| |
|--|
| Registration Number: 201001010221 (894851-U) |
|--|

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

B7. Utilisation of proceeds from the Public Issue

We expect to use the gross proceeds from our Public Issue amounting to RM301.0 million in the following manner:

| Details of use of proceeds | Estimated timeframe for the use of proceeds | Initial proposed utilization ⁽¹⁾ | Revised proposed utilization | Actual utilization to 31.12.2024 | 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⁾ | (30,162) | 102,293 |
| - <i>Regional expansion outside of Malaysia</i> | Within 24 months | 40,000 | 40,000 | (31,968) | 8,032 |
| - <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 | (190,664) | 110,325 |

(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 31.12.2024 RM'000 | Audited 31.3.2024 RM'000 |
|---------------------------|-----------------------------------|--------------------------------|
| Non-current | | |
| <i>Unsecured</i> | | |
| Sukuk | 300,000 | 300,000 |
| <i>Secured</i> | | |
| Hire purchase liabilities | 4,368 | 7,452 |
| Term loans | 27,540 | 30,913 |
| | <u>331,908</u> | <u>338,365</u> |
| Current | | |
| <i>Unsecured</i> | | |
| Sukuk | 473 | 3,366 |
| <i>Secured</i> | | |
| Hire purchase liabilities | 6,301 | 7,254 |
| Short term financing | 55 | 1,405 |
| Term loans | 668 | 640 |
| Bankers' acceptances | 66,592 | 54,983 |
| | <u>74,089</u> | <u>67,648</u> |
| | <u>405,997</u> | <u>406,013</u> |

The loans and borrowings of the Group are denominated in MYR, except for term loans of RM26.38 million (31.3.2024: RM29.25 million), hire purchase liabilities of RM7.99 million (31.3.2024: RM10.71 million), bankers' acceptances of RM14.91 million (31.3.2024: RM14.47 million) and short term financing of RM0.01 million (31.3.2024: RM1.40 million) which are denominated in AUD.

B9. Material litigations

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

As at 31 December 2024, the case is still ongoing, and 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 31.12.2024 | Unaudited 31.12.2023 | Unaudited 31.12.2024 | Unaudited 31.12.2023 |
| Net profit attributable to the owners of the Company (RM'000) | 25,864 | 20,441 | 78,042 | 39,601 |
| Weighted average number of ordinary shares in issue | <u>1,873,455,640</u> | <u>1,871,920,037</u> | <u>1,873,455,640</u> | <u>1,868,952,748</u> |
| Basic EPS (sen) | <u>1.38</u> | <u>1.09</u> | <u>4.17</u> | <u>2.12</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 31.12.2024 | Unaudited 31.12.2023 | Unaudited 31.12.2024 | Unaudited 31.12.2023 |
| Net profit attributable to the owners of the Company (RM'000) | 25,864 | 20,441 | 78,042 | 39,601 |
| Weighted average number of ordinary shares in issue | 1,873,455,640 | 1,871,920,037 | 1,873,455,640 | 1,868,952,748 |
| Effect of share option in issue | 6,621,019 | -- | 4,217,458 | -- |
| Total weighted average number of ordinary shares | <u>1,880,076,659</u> | <u>1,871,920,037</u> | <u>1,877,673,098</u> | <u>1,868,952,748</u> |
| Diluted EPS (sen) | <u>1.38</u> | <u>1.09</u> | <u>4.16</u> | <u>2.12</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 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 |
| Revenue from contracts with customers | | | | |
| - At a point in time | 246,426 | 211,494 | 737,023 | 595,021 |
| - Over time | 163 | 127 | 428 | 356 |
| | <u>246,589</u> | <u>211,621</u> | <u>737,451</u> | <u>595,377</u> |

B13. Profit before tax

| | Individual quarter 3 months ended | | Cumulative quarter 9 months ended | |
|---|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
| | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 | Unaudited 31.12.2024 RM'000 | Unaudited 31.12.2023 RM'000 |
| Profit for the period is arrived at after charging/(crediting) | | | | |
| Depreciation and amortisation: | | | | |
| - property, plant and equipment | 12,472 | 10,491 | 35,221 | 29,166 |
| - right-of-use assets | 2,708 | 2,217 | 7,507 | 5,770 |
| - intangible assets | 67 | 61 | 202 | 202 |
| Equity settled share-based payment | 621 | 498 | 1,574 | 1,518 |
| Impairment loss of trade receivables | 786 | 447 | 1,554 | 578 |
| Write off/(reversal of written off) of: | | | | |
| - property, plant and equipment | -- | 118 | 108 | 169 |
| - obsolete and slow-moving inventories | 362 | (153) | 433 | (159) |
| Loss/(Gain) on disposal of property, plant and equipment | 5 | (47) | 237 | (633) |
| Amortisation of deferred income | (128) | (68) | (263) | (203) |
| Net loss/(gain) arising from changes in fair value of dairy cows and goats: | | | | |
| - Malaysian Farm | 589 | 554 | 3,276 | 1,832 |
| - Australian Farm | (113) | (7) | 491 | (420) |
| Net fair value loss/(gain) on: | | | | |
| - Derivative financial instruments | 1,920 | (232) | 736 | (2,182) |
| - Other investments | (594) | (625) | (1,981) | (1,847) |
| Distribution income from other investments | (209) | (617) | (1,004) | (2,206) |
| Realised gain on derivative financial instruments | (2,521) | -- | (4,522) | -- |
| Realised loss/(gain) on foreign exchange | 1,497 | (4) | 2,376 | (105) |
| Unrealised loss/(gain) on foreign exchange | (1,588) | 50 | 46 | (31) |
| Personnel expenses (including key management personnel): | | | | |
| - Contribution to state plans | 1,688 | 1,804 | 5,466 | 4,839 |
| - Wages, salaries and others | 22,717 | 21,276 | 74,318 | 58,747 |
| Rental income from subleasing of property | (196) | (500) | (725) | (1,288) |
| Expenses relating to short-term leases | 1,509 | 1,061 | 4,473 | 2,982 |
| Expenses relating to leases of low-value assets | 158 | 91 | 407 | 346 |