Our Approach to Value Creation

We drive value creation through an integrated, systematic approach where we identify and respond to the trends and risks that could affect our financial and operational performance across the dairy value chain. In addition, we also take into account multiple factors including resource allocation, stakeholder interests, material impacts, risk management, and strategic execution. This allows us to manage challenges effectively, capture opportunities efficiently, and maximise the value we create for our business and stakeholders, while also ensuring our strategic decisions align with our sustainability goals.

Assess
1. Our Operating Landscape
2. Stakeholder Engagement
3. Material Matters
4. Key Risks and Mitigation

Formulate
1. Our Strategic Priorities
2. Allocating Our Resources

Implement
1. Value Creation
2. Integrating Sustainability

Our Operating Landscape 1

We constantly monitor and evaluate the global, national, and industry trends which could directly or indirectly impact our strategy, operations, and financial performance at a local and regional level.

Pages 52 to 53

Stakeholder Engagement 2

Our stakeholders are both key contributors to and beneficiaries of our business activities. As such, we engage them to ensure our strategies remain aligned with their expectations and concerns, while fostering strong and meaningful partnerships.

- Customers
- Shareholders and Investors
- Distributors
- Local Communities
- Employees
- Suppliers
- Governments and Regulators

Pages 48 to 51

Material Matters 3

We identify the key issues most likely to impact our ability to create value through market research and stakeholder feedback to shape our strategic objectives.

- M1 Product Quality and Safety
- M2 Producing Healthy Products
- M3 Efficient Farm Management and Production
- M4 Distribution Network Management
- M5 Talent Attraction, Retention and Development
- M6 Environmental Stewardship
- M7 Community Impact
- M8 Regional Growth

Pages 59 to 63

Our Approach to Value Creation

Key Risks and Mitigation 4

We identify and manage the risks that are most relevant to our business and strategic goals through our Enterprise Risk Management (ERM) framework. This framework helps us assess the probability and potential impact of each key risk, while also implementing effective controls and mitigation strategies.

1. Production and Supply Chain Disruption
2. Non-Compliance with Regulations
3. Fluctuations in Raw Material Prices
4. Fluctuations in Foreign Currency Exchange Rates
5. Technological Risk
6. Biosecurity

Pages 56 to 58

Our Strategic Priorities 5

Our three strategic priorities ensures our organisation is aligned towards our vision and mission, while driving long-term, resilient growth.

1. Expansion
2. Innovation
3. Reputation

Pages 64 to 67

Allocating Our Resources 6

We deploy our resources across six capitals, seeking to maximise outcomes while maintaining a balanced growth approach.

- Financial Capital
- Human Capital
- Manufactured Capital
- Natural Capital
- Intellectual Capital
- Social & Relationship Capital

Pages 44 to 45

Value Creation 7

Guided by our commitment to sustainable growth and stakeholder well-being, we create value that extends beyond financial performance. Our efforts are centred on generating strong returns for shareholders, contributing to communities and national economies, creating employment opportunities, and investing meaningfully in social and environmental initiatives.

Pages 46 to 47

Integrating Sustainability 8

Sustainability is central to how we create value and is embedded throughout our operations. We are committed to responsible and sustainable practices, which shapes how we engage stakeholders, assess risks, make strategic decisions, and informs our ability to deliver shared value for local communities, stakeholders, and the environment.

Pages 130 to 196



Our Key Resources

We leverage our resources, categorised into six capitals, to drive our business forward and deliver meaningful value to our stakeholders.

FINANCIAL CAPITAL

Our financial strength and capital base is driven by prudent practices, underpinning our ability to mitigate risks, capture timely growth opportunities, and support long-term growth.

FY2026 Highlights

- Revenue: RM1,115.4 million (FY2025: RM981.2 million)
- Profit before tax: RM143.4 million (FY2025: RM115.2 million)
- Cash and cash equivalents: RM171.6 million (FY2025: RM58.8 million)
- Net gearing ratio: 0.42 times (FY2025: 0.39 times)

MANUFACTURED CAPITAL

Our farms and processing facilities are the foundation of our business, supporting our ability to serve customer needs while upholding stringent quality and safety standards. Through strategic investments to improve our farming and production capacity, we position ourselves to meet rising demand across product categories and geographical markets.

FY2026 Highlights

- Total landbank size: 3,863 acres (FY2025: 5,367 acres)
- Dairy herd capacity: 18,280 (FY2025: 14,500)
- 156.6 million litres of finished goods sold (FY2025: 130.6 million)

INTELLECTUAL CAPITAL

Our operations are built on the expertise of our people, access to important cattle gene banks, internal and collaborative R&D efforts, established farm management and milk processing practices, and other knowledge-based assets. Together, these strengths give us a distinct competitive edge in the industry, supporting our ability to develop innovative, sustainably produced products that meet high standards of nutrition, quality, and safety.

FY2026 Highlights

- 12 new products launched (FY2025: 24)
- Over 220 SKUs in total (FY2025: 216)

Our Key Resources

HUMAN CAPITAL

The diverse capabilities of our workforce, the guidance of our senior management team, and the vision set by our founder underpins our operational and strategic excellence. Our employees play an essential role in advancing innovation, sustaining operational efficiency, and delivering customer satisfaction, reinforcing our standing in the dairy industry.

FY2026 Highlights

- 1,669 employees across three countries (FY2025: 1,442)
- 70% employees hired from local communities (FY2025: 68%)
- One work-related fatality recorded (FY2025: 0)

SOCIAL AND RELATIONSHIP CAPITAL

The trust and relationships that we have built with local communities play an important role in shaping our brand reputation. Through long-term community development programmes, we continue to advance health and nutrition, while also empowering local entrepreneurs through our home dealer programme and partner farmer network.

FY2026 Highlights

- RM47million in gross income earned by stockists and dealers under our home dealer network (FY2025: RM47 million)
- RM4.8million in income generated for our partner farmers (FY2025: RM4.6 million)
- Over 86.9 million packs of school milk delivered to more than 3,800 schools under the School Milk Programme (FY2025: 49.8 million packs across more than 3,400 schools)

NATURAL CAPITAL

As a company involved in agriculture, our business activities directly use and impact natural resources such as energy and water. We seek to preserve this through regenerative farming methods, while also expanding our use of recyclable packaging across our product portfolio.

FY2026 Highlights

- 581.38 million litres of farm dairy effluent (FDE) recycled and removed from waste discharge (FY2025: 550.88 million)
- 170,637 tonnes of solid waste recycled and removed from waste discharge (FY2025: 144,905 tonnes)
- 22% lower average emissions intensity (Malaysia farms) in FY2026 - 1.8 kgCO2eq/kg FPCM - FAO (FY2025: 2.3 kg CO2eq/kg FPCM - FAO)
- 744.2 million litres of municipal water saved through rainwater harvesting and tube well pumping (FY2025: 705.1 million litres)
- 1,981,590 kg of chemical fertiliser removed from our cycle (FY2025: 2,090,538 kg)

Our Value Creating Business Model

KEY INPUTS

FINANCIAL CAPITAL
- Market capitalisation: RM4.5 billion
- Total assets: RM1.864 billion
- Net gearing ratio: 0.42 times
- Strong cash flow and prudent capital management

MANUFACTURED CAPITAL
- 7 farms and 5 processing facilities across Malaysia, Australia, and the Philippines
- Fully vertically integrated supply chain
- Modern and efficient farm and milk processing equipment
- Practices that promote animal health and welfare with 100% adherence to Good Animal Husbandry Practices (GAHP)

INTELLECTUAL CAPITAL
- Twelve well-established and reputable brands
- Our experienced, skilled, and knowledgeable team
- Established farm management and milk processing expertise
- Access to key cattle gene banks for optimal breeding

HUMAN CAPITAL
- 1,669 employees employed across the Group
- 70% of employees hired from local communities
- Effective occupational health and safety practices with over RM277,000 invested in regular employee training
- Founder-led senior management team with over 36 years of combined industry experience

SOCIAL AND RELATIONSHIP CAPITAL
- Strong relationships within our home dealer network, which includes 54 stockists, 403 home dealers, and 252 agents
- RM1.3 million invested into local communities in the form of scholarships and community programmes
- Collaborative relationships with government bodies

NATURAL CAPITAL
- 401,327,183 MJ of energy consumption, supported by our first biogas plant which utilises methane to support operational energy needs
- 744.16 m^3 of water consumption, supported by rainwater harvesting and tube well pumping that reduces municipal water usage
- Sustainable, circular farming practices that reuse organic waste and minimise waste discharge
- Sustainably sourced, recyclable packaging that promotes circularity

STRATEGIC CONSIDERATIONS



Our Value Creating Business Model

EXPANSION

INNOVATION

REPUTATION

MEGATRENDS

- Increasing Sustainability Expectations
- Consumer Awareness of Health and Wellness
- Increasing Importance of Technology and Innovation

STAKEHOLDERS

- Customers
- Distributors
- Employees
- Governments & Regulators
- Shareholders & Investors
- Local Communities
- Suppliers

KEY RISKS

- Production and Supply Chain Disruption
- Non-Compliance with Regulations
- Fluctuations in Raw Material Prices
- Fluctuations in Foreign Currency Exchange Rates
- Technological Risk
- Biosecurity

MATERIAL MATTERS

- M1 Product Quality and Safety
- M2 Producing Healthy Products
- M3 Efficient Farm Management and Production
- M4 Distribution Network Expansion
- M5 Talent Attraction, Retention and Development
- M6 Environmental Stewardship
- M7 Community Impact
- M8 Regional Growth

OUTCOMES

FINANCIAL CAPITAL

- Revenue: RM1,115.4 million
- Profit before tax: RM143.4 million
- Earnings per share: 6.92 sen
- Shareholders' equity: RM827.9 million
- Cash and cash equivalents: RM171.6 million

MANUFACTURED CAPITAL

- 156.6 million litres of finished goods sold
- Increased our production capacity by 43.6 million litres of finished goods

INTELLECTUAL CAPITAL

- 12 new products introduced to the market

HUMAN CAPITAL

- RM139.2 million distributed for directors' and employees' remuneration and benefits
- One work-related fatality
- Subsidised meals and free accommodation provided to farm employees

SOCIAL AND RELATIONSHIP CAPITAL

- RM4.8 million in income generated for local farmers
- RM47 million in gross income generated for stockists, dealers, and agents under our home dealer network
- Over 86.9 million packets of milk distributed to students at over 3,800 schools under the School Milk Programme in collaboration with the Ministry of Education

NATURAL CAPITAL

- 581.38 million litres of farm dairy effluent (FDE) recycled and removed from waste discharge
- 170,637 tonnes of solid waste recycled and removed from waste discharge
- 36% turnover from products using fully recyclable, sustainably sourced packaging
- 744.2 million litres of municipal water saved through rainwater harvesting and tube well pumping
- 1,981,590 kg of chemical fertiliser removed from our cycle

Stakeholder Engagement

We actively engage with our stakeholders to understand their concerns and expectations. Using their insights, we identify the key issues which are integrated into our strategic decisions, creating sustainable value for both our stakeholders and our business.

Customers

How We Engage

- Corporate website
- Advertising campaigns (both above-the-line and below-the-line)
- Social media platforms
- Customer surveys and focus groups
- Face-to-face interactions (both at roadshows and on-ground marketing events)

Key Concerns

- How we maintain the superior quality, safety and nutritional value of our products
- How we cater to diverse dietary restrictions and preferences while maintaining competitive pricing
- How we uphold our social and environmental responsibilities
- How we ensure product accessibility and availability across Malaysia and our regional markets
- How we continue to offer value while managing input cost, packaging, and supply chain pressures

How We Address Their Expectations

- Continuing to place consumer well-being at the centre of our honest and sustainable dairy and food operations
- Staying true to our promise of milk products that are free from preservatives, artificial colourings, flavourings, and other foreign substances
- Broadening our portfolio in response to evolving consumer needs, supported by the positive reception to recent launches such as CPG ice cream, butter, full cream milk powder, chocolate malt products, cultured milk, and other dairy-adjacent offerings
- Maintaining strict adherence to food safety and quality standards across our operations, including Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP) principles, as well as halal requirements
- Investing in sustainability initiatives that matter to consumers, including renewable energy, circular practices, sustainable packaging, and the Milk on Tap refill initiative
- Improving our capabilities to meet stronger demand through our Muadzam Shah farm expansion and our new Enstek facility
- Ensuring regional market access for our products through local production in the Philippines and Cambodia
- Proactively managing supply chain and packaging-related challenges by working closely with suppliers, exploring alternative sourcing options, and adjusting production formats where necessary

Stakeholder Engagement

Distributors

How We Engage

- Face-to-face interactions and phone calls
- Circulars and email communication
- Visits and assessments
- Distributor training

Key Concerns

- How we ensure clear, transparent and updated information on our product range, distribution areas and resale prices (for our large format/on-trade retailers and home dealers)
- How we provide business development and sales support (for stockists and dealers in our home dealer programme
- How we ensure reliable product availability, cold chain readiness and timely delivery as our product portfolio expands

How We Address Their Expectations

- Maintaining clear and open communication with distributors on product launches, pricing, promotion mechanics, and distributor regulations
- Supporting our home dealer network through training, business development assistance and focused engagement with high-performing stockists, dealers, and agents
- Working closely with distribution partners to strengthen execution in CPG ice cream, including increasing freezer placements and expanding petromart and mini-market coverage
- Expanding regional distribution opportunities in Cambodia and the Philippines by building presence in retail and food service channels

Employees

How We Engage

- Circulars and email communication
- Employee town halls
- Training courses
- Team-building events
- Employee appraisals

Key Concerns

- How we ensure a safe and respectful working environment and culture
- How we uphold rigorous standards for anti-bribery and anti-corruption
- How we provide fair opportunities for career advancement and growth
- How we promote clarity and inclusion on company initiatives and growth plans

How We Address Their Expectations

- Upholding open and transparent communication with employees through circulars, town halls, departmental briefings, employee appraisals, and regular engagement with leadership
- Continuing to handle employee complaints and concerns openly and transparently, supported by our Code of Conduct & Business Ethics (CCBE), Whistle Blowing Policy, and independent externally-run hotline
- Providing role-specific training and professional development to support employee competence across our value chain
- Rewarding performance and fostering long-term loyalty through mechanisms such as our Employees' Share Option Scheme (ESOS)
- Strengthening our culture of integrity and accountability by providing anti-bribery and anti-corruption training
- Building our leadership pipeline through structured programmes such as the Leadership Bench Strength Programme
- Ensuring the highest standards of occupational health and safety

Stakeholder Engagement

Governments and Regulators

How We Engage

- Email communication
- Face-to-face interactions and phone calls
- Seminars, training sessions and dialogues
- On-site inspections and audits
- Integrated Annual Reports

Key Concerns

- How we comply with all relevant local, state and federal laws and regulations
- How we contribute to community and environmental initiatives supporting national development
- How we provide sustainable, long-term job opportunities to local communities
- How we manage our environmental impacts, including waste, water, emissions, and packaging
- How we maintain transparent disclosures and timely engagement as our operations expand in Malaysia and regional markets

How We Address Their Expectations

- Maintaining open and transparent communication with relevant ministries, regulators, and government agencies
- Addressing any instances of regulatory non-compliance promptly and transparently, supported by established governance structures and clear internal policies
- Reinforcing compliance across our expanding operations, including adherence to food safety and quality principles such as GMP and HACCP
- Strengthening Malaysia's national dairy industry development by investing in farm capacity and nurturing local talent
- Prioritising local hiring around our farms and processing facilities, while creating income opportunities for micro-entrepreneurs through our home dealer network
- Contributing to the Malaysian economy through taxation and foreign exports
- Supporting national youth nutrition priorities through our continued participation in the School Milk Programme with the Malaysian Ministry of Education
- Investing in environmental initiatives that align with national sustainability objectives, including circular farming practices and renewable energy on our farms
- Engaging relevant local authorities and partners to ensure responsible market entry into regional markets such as the Philippines and Cambodia

Shareholders and Investors

How We Engage

- Investor Relations website
- Email communication
- One-on-one meetings
- Investor briefings
- Site visits
- Quarterly financial results briefings
- Annual General Meetings
- Integrated Annual Reports

Key Concerns

- How we plan to achieve sustainable and profitable long-term growth
- How we safeguard against reputational damage from regulatory non-compliance, food safety issues and other concerns
- How we manage risks in a volatile business environment
- How we execute our category expansion, capacity expansion, and regional growth plans effectively

How We Address Their Expectations

- Maintaining regular, transparent, and accessible communication with the investment community, guided by our Investor Relations Policy
- Conducting regular, timely disclosures of our financial performance and operational progress
- Safeguarding long-term shareholder value through strong governance, risk management and internal controls
- Remaining committed to shareholder returns through our dividend policy, under which we target a payout ratio of at least 25% of net profit each financial year
- Pursuing regional expansion in a measured manner, with growing sales traction in Cambodia and continued progress in the Philippines
- Investing in capacity expansion to support future growth, guided by prudent capital management

Stakeholder Engagement

Local Communities

How We Engage

- Community initiatives and outreach programmes
- Face-to-face interactions and phone calls
- Visits to local communities

Key Concerns

- How we offer sustainable, long-term job and income opportunities to surrounding communities
- How we support the targeted development of local communities
- How we ensure minimal environmental impact from our farms and processing facilities
- How we continue to support access to nutritious products

How We Address Their Expectations

- Providing employment opportunities in rural areas adjacent to our farms and processing facilities, with a focus on hiring from local and indigenous communities
- Empowering micro-entrepreneurs through our home dealer network, providing stockists, dealers, and agents with income-generation opportunities
- Supporting partner farmers by purchasing raw milk at fair market prices while providing mentorship, technical assistance, and knowledge-sharing to improve productivity
- Investing in education and community development initiatives, including internships with local universities and scholarships for students from indigenous communities through the Farm Fresh Scholarship Programme
- Managing our environmental impact through circular farming and sustainable production practices, including farm dairy effluent recycling and solid waste reuse
- Supporting national nutrition priorities through our participation in the School Milk Programme

Suppliers

How We Engage

- Email communication
- Face-to-face interactions and phone calls
- Supplier visits and assessments

Key Concerns

- How we ensure a fair, robust procurement system
- How we uphold rigorous standards for anti-bribery and anti-corruption
- How we support the local Malaysian business ecosystem
- How we maintain timely supply of critical inputs

How We Address Their Expectations

- Ensuring the fairness and transparency of our procurement process, supported by supplier assessments, regular communication, and clear internal governance requirements
- Upholding ethical business conduct through our Code of Conduct & Business Ethics, Whistle Blowing Policy, and internal anti-bribery and anti-corruption controls
- Prioritising local procurement where possible
- Collaborating with suppliers to address supply chain disruptions affecting raw materials, such as working with packaging suppliers to secure alternative HDPE resin supply, while increasing production in gable-top paper cartons to mitigate product availability constraints

Operating Landscape - Economic Overview

THE GLOBAL ECONOMIC LANDSCAPE

Global economic growth moderated in 2025 yet remained resilient, with GDP growth easing from 3.3% in 2024 to 3.2% in 2025 according to the International Monetary Fund (IMF). However, this moderation was partly attributable to the front-loading of trade activity ahead of the United States' tariff policies and may not necessarily reflect a broader slowdown in economic activity. On a more positive note, consumer price index (CPI) inflation eased from 5.8% in 2024 to 4.2% in 2025, supported by a gradual normalisation of price pressures, although inflation remained uneven across markets.

The uncertain geopolitical environment was another factor affecting the global economy during the year. In particular, the conflict involving the United States and Iran in the Middle East disrupted supply chains, logistics planning and fuel prices, resulting in constrainewd availability of selected production inputs. For Farm Fresh, this was most evident in the supply of high-density polyethylene (HDPE) resin used in the packaging of our flagship fresh milk products.

In response, we increased production of gable-top paper cartons, sourced HDPE resin from China as an alternative market and implemented selective price adjustments to partially offset higher input costs. More broadly, as volatility increased across commodity and foreign exchange markets, we continued our practice of forward-purchasing commodities and entering into forward contracts for foreign exchange rates, thereby reducing uncertainty in these key risk areas. Together, these actions enabled us to sustain our strong financial trajectory despite a more challenging global operating environment.

GLOBAL GROWTH
3.2%
3.3% in 2024

CPI INFLATION
4.2%
5.8% in 2024

Operating Landscape - Economic Overview

THE MALAYSIAN ECONOMY AND AGRICULTURAL SECTOR OVERVIEW

Malaysia's economy sustained its strong growth momentum in 2025, with gross domestic product (GDP) expanding by 5.2% compared with 5.1% in 2024, exceeding earlier forecasts by Bank Negara Malaysia. This performance was supported by resilient domestic demand, record levels of foreign investment and a strengthening labour market, with the unemployment rate improving from 3.2% to 3.0%. In addition, targeted government support measures helped sustain household spending despite ongoing cost pressures.

For Farm Fresh, this provided a constructive backdrop for demand across our product categories. At the same time, the stronger ringgit helped ease certain imported cost pressures, contributing to improved profitability during the year and supporting our strong growth in Profit Before Tax.

Within our industry, food security and dairy self-sufficiency remain important national priorities. While Malaysia has made progress in strengthening domestic milk production, the sector continues to face structural challenges. The 2024 Agriculture Census highlighted that the vast majority of agricultural holdings remain individually owned and operated, while a significant proportion of farmers are approaching retirement age. These factors underscore the need for continued investment in scale, productivity improvements, modern farming practices and talent development to support the long-term competitiveness of the sector.

We believe Farm Fresh is well positioned to contribute to this agenda. As one of the country's largest integrated dairy producers, our vertically integrated "grass-to-glass" model, established farming capabilities, processing infrastructure and nationwide distribution network provide a strong platform from which to support the development of the domestic dairy industry. Through continued investment across our value chain, we remain committed to improving productivity, expanding local dairy production and contributing towards a stronger and more resilient food ecosystem for Malaysia.



Operating Landscape - Key Market Trends



1 INCREASING SUSTAINABILITY EXPECTATIONS

Investors, policymakers, customers and other stakeholders are increasingly holding companies to higher sustainability standards, covering both their disclosure practices and sustainability initiatives. Within the dairy industry, these expectations are particularly stringent given the sector's extensive land use and exposure to climate-related risks.

Risks

- Rapidly evolving wellness expectations may outpace product innovation and reformulation cycles
- Increased scrutiny on product ingredients, nutritional content, labelling and marketing claims
- Higher R&D and product development costs as consumers seek healthier, higher-quality and more differentiated offerings
- Potential margin pressure if consumers demand better nutrition and product quality while remaining price-sensitive

Opportunities

- Stronger consumer loyalty for brands that consistently meet evolving consumer expectations
- Potential to expand in wellness-oriented categories such as plant-based beverages
- Potential to develop a compelling competitive advantage by leveraging our positioning as a producer of high-quality and nutritious dairy products

Our Response

- Continuing to anchor our product proposition on high-quality and nutritious dairy and non-dairy products
- Entering new categories where wellness is at a premium, including growing up milk, cultured milk and chocolate malt beverages
- Maintaining strict food safety and quality standards across our processing facilities, including adherence to GMP and HACCP principles
- Leveraging consumer insights, market trends and consumption patterns to guide product development and brand communication



2 INCREASING IMPORTANCE OF TECHNOLOGY AND INNOVATION

Digital technology plays a vital role in modern business, enabling companies to automate processes, improve productivity and unlock data-driven insights into customer behaviour. Within the dairy industry, its application extends across the value chain, from farming to distribution, unlocking a wide range of opportunities to improve efficiency and performance.

Businesses that can integrate technology and innovation effectively will be better positioned to drive efficiency, respond to changing market conditions and develop a lasting competitive advantage.

Operating Landscape - Key Market Trends

Risks

- Heightened scrutiny from consumers, investors and regulators on sustainability performance and disclosures
- Reputational risk if ESG commitments are not supported by credible practices, transparent reporting and measurable progress
- Increased compliance requirements arising from sustainability-related regulations, leading to higher costs
- Higher regulatory complexity as we expand across regional markets

Opportunities

- Strengthening brand trust among consumers seeking companies with proven sustainability credentials
- Enhancing cost efficiency and operational resilience through the adoption of circular economy practices and efficient resource use
- Building long-term stakeholder confidence through stronger sustainability governance, risk management and responsible business policies

Our Response

- Introducing circular farming practices that reuse animal waste for animal bedding, irrigation and fertilization
- Investing in renewable energy, including solar photovoltaic (PV) systems across multiple farms and our first biogas plant at Muadzam Shah
- Harvesting groundwater and rainwater to reduce reliance on municipal water supplies
- Utilising sustainably sourced and recyclable packaging across a wider range of products
- Continuing to expand our Milk On Tap initiative to increase the use of reusable glass bottles and encourage recycling

CONSUMER AWARENESS OF HEALTH AND WELLNESS

Consumers are becoming increasingly conscious of the role that nutrition plays in everyday wellness, placing greater emphasis on product quality, ingredient transparency and the long-term health benefits of the food and beverage products they consume. This has strengthened demand for clean-label products made using high-quality ingredients, while focusing on delivering nutritious dairy and plant based products as well as adhering to the highest food safety and quality standards.



Risks

- Falling behind competitors that adopt new technologies
- Higher implementation costs and execution risks associated with new systems
- Operational disruption if new technologies are not integrated effectively
- Skills gaps if employees and partners are not adequately trained to adopt new tools, systems, and ways of working

Opportunities

- Improving farm productivity, animal health and milk quality through science-based practices and continuous herd improvement
- Strengthening manufacturing efficiency and flexibility through the strategic use of technology, including automation and upgraded production lines
- Enhancing market understanding and responsiveness through consumer insights and targeted engagement strategies

Our Response

- Utilising our customer relationship management (CRM) system to generate deeper customer insights, strengthen customer relationships and drive long-term loyalty
- Leveraging digital marketing and sales channels to grow our business, including our in-house e-commerce platform and other online marketplaces
- Continuing to adopt science-based farming practices that enhance herd health and productivity
- Upgrading production lines to unlock greater capacity and scale, including at our Taiping production facility and upcoming Bandar Enstek central manufacturing hub
- Improving cybersecurity readiness through regular penetration testing and proactive security assessments
- Encouraging employees to adopt new tools, including AI-enabled solutions, to improve their performance

Key Risks and Mitigation

Our risk management approach is designed to ensure that all potential risks affecting our financial and operational performance are effectively identified and monitored, with appropriate mitigation actions taken. In doing so, we are guided by our Enterprise Risk Management (ERM) framework, which is regularly reviewed and updated by our Board's Audit and Risk Management Committee to reflect the evolving risk landscape and changing business needs.

For more on our ERM framework, please refer to our Statement on Risk Management and Internal Control at page 115.

Our key risks and mitigation strategies are outlined below.

Risk Rating
Low | Moderate | High | Very Significant

Risk Trend
Increase | Decrease | Stable

1 Production and Supply Chain Disruption

Dairy production requires careful handling at each process stage from milking to bottling to transport. Any mistakes or negligence in our processes can compromise product quality and pose risks to consumer health. Our accelerated expansion into new production sites, overseas markets, and adjacent categories exacerbates this risk.

Mitigation Actions

- We provide comprehensive product familiarisation training to all employees to support proper product handling.
- We conduct biannual food handling courses for production staff, suppliers and third-party distributors.
- We perform regular inspections of production equipment to identify defects early, minimise quality risks, and maintain consistent output standards.
- We operate in accordance with Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP) principles to manage biological, chemical and physical hazards effectively.
- We enforce procedures that comply with the standards set under our in-house Farm Fresh Food Safety Management System.

Link to Material Matters: M3 M4 Capitals:

2 Regulatory Non-Compliance

As a highly visible, multinational business operating in the dairy and FMCG sectors, we are subject to regulations covering food safety, labelling, import/export, employment, tax, customs, halal, and environmental requirements. Any instances of non-compliance could result in financial and reputational damage.

Mitigation Actions

- Our Internal Audit & Risk department conducts regular, comprehensive audits to ensure compliance with applicable regulations and industry standards.
- We maintain active engagement with local, state and national authorities to stay informed of regulatory developments that may affect our operations.
- We ensure cross-border compliance through new-market entry checks, thorough due diligence, and by engaging reputable local partners.

Link to Material Matters: M1 M2 M6 Capitals:

Key Risks and Mitigation

3 Fluctuations in Raw Material Prices

Our production relies on inputs from a diversified supply chain – from animal feed to dairy ingredients, as well as packaging materials such as HDPE resin, bottles, and cartons. As such, it is crucial that we closely monitor any price fluctuations in our raw materials. The affordability and availability of these inputs directly affect our ability to maintain competitive pricing, particularly amid ongoing macroeconomic uncertainty and global trade volatility.

Mitigation Actions

- We continuously monitor raw material prices and inventory levels to proactively manage fluctuations in supply and demand.
- We cultivate corn on our farms for animal feed to reduce dependency on imports and mitigate exposure to geopolitical factors affecting global corn prices.
- We manage raw material cost volatility and protect profit margins through forward purchases and financial derivatives, including futures contracts.
- We increased gable-top paper carton production, while also sourcing HDPE resin from China to address the shortage of HDPE due to the recent Middle East conflict.

Link to Material Matters: M3 M8 Capitals:

4 Forex Market Volatility

We source a substantial portion of our inputs internationally, while selling the majority of our finished goods across different markets. As a result, unfavourable exchange rate movements can materially affect our cost base, pricing flexibility and overall profitability, with this risk intensified by recent global trade policy uncertainty and geopolitical events.

Mitigation Actions

- We regularly monitor exchange rate movements to support timely and informed decision-making.
- We hedge our exposure to currency fluctuations by purchasing forward contracts that lock in a specific, favourable forex rate.
- The building of new production facilities in Cambodia, and the Philippines will help to reduce exposure to unfavourable forex rates.

Link to Material Matters: M3 M8 Capitals:

Key Risks and Mitigation

5 Technological Risk

We risk reduced competitiveness and efficiency if we do not adopt advanced technologies to improve quality, cost efficiency, and production scale. At the same time, the increasing digitalisation of our operations makes cybersecurity across our production systems and sales platforms a critical priority.

Mitigation Actions

- We conduct ongoing research and development through our dedicated IVF unit to breed cows with higher productivity and stronger adaptability to tropical conditions.
- We continuously explore innovative approaches in farm management and production to improve product quality and enhance operational efficiency.
- We invest in upgrading our processing facilities through the implementation of advanced production lines and enhancements to existing systems.
- We implement staff training programmes to strengthen cybersecurity awareness and the protection of personal data.
- We partner with external specialists to conduct regular IT system assessments and implement timely security updates.

Link to Material Matters: M3 M8 Capitals:

6 Biosecurity

Maintaining a healthy farm environment for the thousands of cows under our care is essential to safeguarding herd welfare, product quality and food safety. Inadequate infection control could place significant strain on our resources, disrupt operations and affect both our profitability and reputation.

Mitigation Actions

- We maintain strict biosecurity protocols across all farms, with practices aligned to the Good Animal Husbandry Practices (GAHP) manual and certified under Malaysia Good Agricultural Practices (myGAP), reflecting our commitment to high standards in livestock care.
- Our dedicated team of veterinarians, animal science specialists, and husbandry experts oversees our biosecurity protocols and monitors herd health.
- We administer routine vaccinations to our herd, including regular foot-and-mouth disease (FMD) immunisations.

Link to Material Matters: M1 M2 M3 M6 Capitals:

Material Matters

Our material matters are the issues that most significantly affect our business and influence stakeholder assessments of the Group. By identifying and prioritising these matters, we ensure that our strategies remain focused on areas that support and optimise value creation over the short, medium and long term.

Our materiality determination process follows the steps below.

IDENTIFICATION

We leverage trusted external sources together with our internal expertise to develop a comprehensive list of material topics. These topics reflect key industry trends, potential risks and our long-term growth objectives.

ASSESSMENT

Each topic is reviewed by our Board of Directors and assessed based on its importance to our financial and non-financial performance.

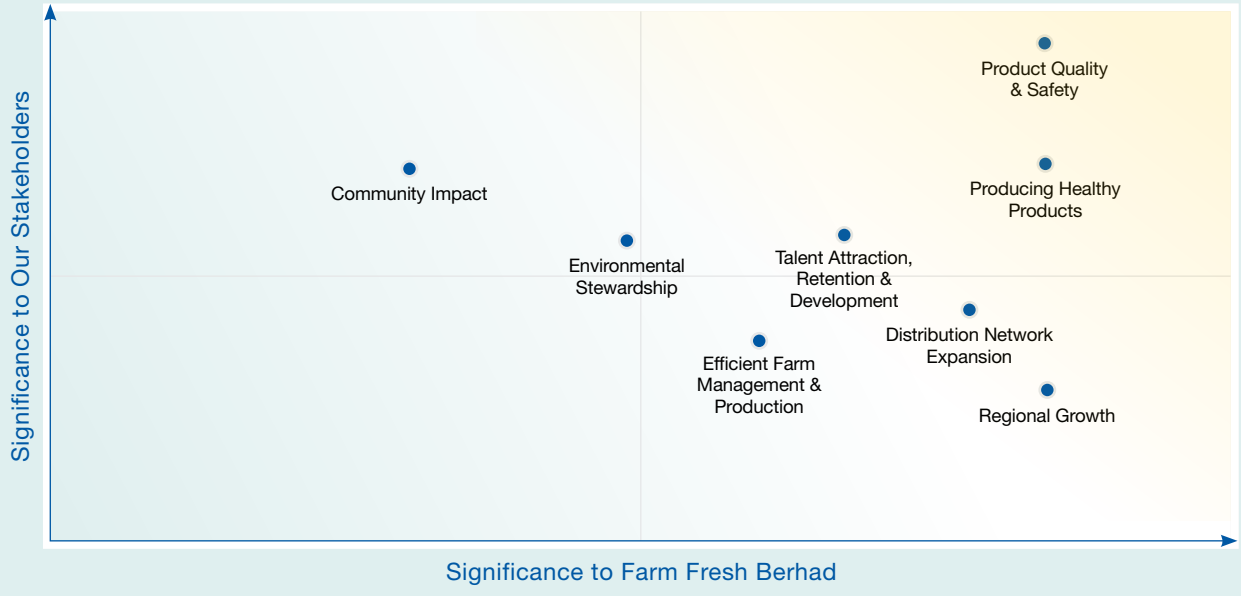
STAKEHOLDER ENGAGEMENT

We engage our key stakeholders through surveys, through which they evaluate how each topic influences their assessment of the Group and its long-term ability to create value.

DETERMINATION

Based on the outcomes of the preceding stages, we develop a materiality matrix that maps each topic according to its relative importance to both our business and stakeholders, providing a clear view of the issues that are most critical to our long-term success.

FARM FRESH MATERIALITY MATRIX



Having carried out our previous full materiality determination exercise in FY2024, we conducted a high-level review during FY2026, which resulted in no changes to our prioritised material matters or their relative positions on the materiality matrix.

Material Matters

M1 PRODUCT QUALITY AND SAFETY

Why It Matters

As we expand across new product categories, customer channels and regional markets, maintaining consistent product quality and safety remains fundamental to protecting consumer trust and sustaining long-term growth. We take pride in our strong track record of producing safe, high-quality products, with no safety-related product recalls since 2014. Preserving this record is increasingly important as we scale both domestically and regionally. Any lapse in product quality or safety could affect consumer well-being, undermine confidence in our brand and impact our financial performance.

How We Address It

- Maintaining strict compliance with GMP, HACCP, ISO 22000 Food Safety Management System, halal requirements, and other relevant food safety standards across our farms and processing facilities
- Applying rigorous inspections, controls and testing across every stage of our production process
- Ensuring routine maintenance of our equipment while carrying out upgrades where necessary

Our Actions in FY2026

- Continued to uphold our food safety track record while scaling production and distribution
- Maintained zero product recalls due to safety reasons since 2014

Link to Stakeholders: Capitals:

M2 PRODUCING HEALTHY PRODUCTS

Why It Matters

As consumers increasingly prioritise health and nutrition in their purchasing decisions, our reputation as a provider of fresh, clean-label products made using honest ingredients remains a key competitive advantage. It supports strong brand trust, enables us to serve a wider range of dietary needs and preferences, and strengthens our ability to grow across new product categories, customer channels and regional markets.

How We Address It

- Ensuring high quality and nutritional dairy and non-dairy products
- Driving product research and development to offer nutritious options that meet the needs of different consumer segments
- Maintaining transparency in our product labelling and marketing practices to help consumers make informed choices
- Leveraging our vertically integrated “grass-to-glass” model to support product freshness, consistency and stronger control over quality across the value chain

Our Actions in FY2026

- Strengthened consumer awareness of our products’ health and nutrition benefits through targeted marketing activities, such as via on-ground activations for Moola Choco Malt
- Enhanced nutrition awareness among children and families through school engagements, supported by the Healthier Choice Logo on school milk products
- Continued to extend our product portfolio to offer more choices, each grounded in strong health and nutritional credentials, across categories

Link to Stakeholders: Capitals:

Material Matters

M3 EFFICIENT FARM MANAGEMENT AND PRODUCTION

Why It Matters

Efficient farm management and production is essential to our ability to reliably supply high-quality dairy products at competitive prices, both in Malaysia and across our growing regional markets.

How We Address It

- Advancing our IVF and breeding techniques to accelerate the development of desirable genetic traits in our herd, leveraging our Australian Friesian Sahiwal (AFS) gene bank
- Optimising feeding, biosecurity and milking practices to enhance dairy herd productivity and maintain milk quality
- Improving our barn infrastructure and farming technologies, including tunnel ventilation and dry sand-bedded areas, to enhance animal well-being and reduce heat stress
- Maintaining Good Animal Husbandry Practices (GAHP) and Certified Humane standards across our farms to support herd health and productivity
- Utilising our "grass-to-glass" business model to drive production efficiency, cost control, and end-to-end quality oversight

Our Actions in FY2026

- Progressed the expansion of Jacob Farm (Muadzam Shah 2) with completion of seven barns, a calf pen, and a rotary milking parlour
- Strengthened animal health and welfare practices through specialist hoof management training, cow comfort improvements and machine-based udder hygiene testing to reduce mastitis risk, with planned rollout to larger farms such as Taiping and Mawai

Link to Stakeholders: Capitals:

M4 DISTRIBUTION NETWORK EXPANSION

Why It Matters

Our extensive distribution network enables us to reach consumers across urban, suburban and rural areas. In addition to our established relationships with large-format retailers, convenience stores, mini markets, and HORECA customers, we continue to leverage our distinctive home dealer network to reach underpenetrated regions across the country. This multi-channel approach provides us with a blueprint for us to scale our presence in new regional markets.

How We Address It

- Continuously optimising our home dealer, stockist and agent network through focused training, support, and incentives, while streamlining the network to place greater emphasis on supporting high-performing partners
- Pursuing strategic acquisitions in businesses with strong distribution networks in regions where we lack presence
- Replicating our distribution model in selected regional markets, supported by local production capabilities and partnerships in the Philippines and Cambodia

Our Actions in FY2026

- Streamlined our home dealer programme into a leaner structure focused on optimising sales productivity and partner quality
- Entered into Share Sale Agreements to acquire the company that produces the Amelia ice cream brand in Sabah, providing immediate access to logistics capabilities, 25 owned trucks and more than 3,500 freezers
- Enhanced digital sales capabilities through our own web-based shop and an expanded presence across online e-commerce platforms

Link to Stakeholders: Capitals:

Material Matters

M5 TALENT ATTRACTION, RETENTION AND DEVELOPMENT

Why It Matters

Our skilled and experienced people are central to maintaining high standards across our farms, processing facilities, distribution network, and customer channels. As we expand into new markets and scale our operations, attracting, retaining, and developing the right talent is increasingly critical to sustaining operational excellence and long-term growth.

How We Address It

- Providing competitive compensation packages and benefits to attract new talent and retain our experienced workforce
- Utilising our Employees' Share Option Scheme (ESOS) to recognise performance and encourage long-term employee commitment
- Working with local universities to offer internship opportunities and build a pipeline of future talent
- Supporting education for students from indigenous communities through the Farm Fresh Scholarship Programme, with the goal of hiring qualified graduates upon completion of their studies to build a dedicated, engaged workforce
- Reinforcing our leadership pipeline through the Leadership Bench Strength Programme to develop capable current and future leaders across all levels of the organisation

Our Actions in FY2026

- Encouraged employees to leverage AI tools to improve efficiency, support risk management and identify opportunities from new perspectives
- Continued to build talent pipelines and workforce readiness to support major growth projects, including Bandar Enstek, Muadzam Shah 2 (Jacob Farm), and our expansion in regional markets

Link to Stakeholders: Capitals:

M6 ENVIRONMENTAL STEWARDSHIP

Why It Matters

Our farms and processing facilities are closely connected to nature and the land, making it essential that we manage emissions, water, waste and packaging use responsibly while protecting the communities and ecosystems around us. As an agricultural dairy producer, our business is also affected by climate change, which is why environmental stewardship is crucial as we scale our "grass-to-glass" model regionally.

How We Address It

- Utilising regenerative agricultural methods that repurpose animal waste into valuable farm resources, reducing waste discharge, emissions and reliance on chemical fertilisers
- Expanding the use of renewable energy through solar PV and biogas, while reducing dependence on diesel and grid electricity
- Adopting rainwater harvesting, tube well systems and treated water reuse to reduce extraction from municipal water supplies
- Using recyclable and sustainably sourced packaging for selected products, while encouraging circular consumption through initiatives such as "Milk on Tap"
- Conducting regular carbon footprint assessments covering Scope 1, Scope 2, and Scope 3 emissions to improve monitoring, target-setting and emissions management

Our Actions in FY2026

- Advanced renewable energy initiatives, including plans for solar PV deployment at Taiping and Mawai farms
- Expanded the Milk on Tap initiative to 41 locations, supporting efforts to reduce waste from our packaging and encourage sustainable practices among our customers
- Our other efforts towards emissions reduction were seen through our solid separators installed at our farms and feeding our livestock with red seaweed which potentially reduce CH4 emissions and reduce enteric methane emissions. With these low carbon strategies, we will continue with our efforts, focusing on our Group-wide greenhouse gas (GHG) emission reduction target.

Link to Stakeholders: Capitals:

Material Matters

M7 COMMUNITY IMPACT

Why It Matters

Our growth is closely linked to the well-being of the communities in which we operate. These communities are a key source of local talent, suppliers, partner-farmers and distributors, making it important for us to ensure that our business growth creates meaningful socioeconomic benefits at the local level. Furthermore, as we scale our product portfolio and expand our distribution channels, we remain focused on creating shared value through employment, entrepreneurship, education, youth nutrition, and community development.

How We Address It

- Creating employment opportunities in rural and underserved areas near our farms and processing facilities, including jobs for members of indigenous communities
- Empowering micro-entrepreneurs, particularly women, through our home dealer network and targeted support for high-performing partners
- Supporting partner-farmers through fair pricing, mentorship, and technical support to strengthen local agricultural ecosystems
- Promoting youth nutrition through our participation in the Ministry of Education's School Milk Programme and related school outreach activities
- Supporting education and social mobility through scholarships such as our Farm Fresh Scholarship Programme

Our Actions in FY2026

- Continued to support youth nutrition through higher school milk deliveries and school engagement activities
- Used school engagements to strengthen nutrition awareness, supported by the Healthier Choice Logo on school milk products

Link to Stakeholders: Capitals:

M8 REGIONAL GROWTH

Why It Matters

Our close proximity to key Southeast Asian markets, strong reputation for health and nutrition, and proven "grass-to-glass" business model position us well to capture growing demand for dairy and related products across the region. By expanding our presence beyond Malaysia, we can diversify our revenue base, strengthen the resilience of our business and bring our products to a wider consumer audience.

How We Address It

- Scaling up our presence in the Philippines and entering the Cambodia market, while exploring longer-term opportunities in Indonesia
- Leveraging Australia as a strategic supply and capability hub, supported by surplus milk production and the strong reputation of Australian dairy products across Asia

Our Actions in FY2026

- Strengthened our Philippines operations following the commencement of operations at the San Simon factory, with Farm Fresh now present in 305 modern trade outlets and 74 food service accounts mainly in Metro Manila
- Commenced exports to Cambodia, where we have established a presence in Phnom Penh and are expanding into secondary cities, while advancing plans for a local processing facility to better serve Cambodia and the wider Indochina market

Link to Stakeholders: Capitals:

Our Strategic Priorities

Our strategy is centred on three priorities that support our ambition of becoming a diversified, multi-category FMCG leader with a growing regional presence. Together, these priorities guide how we allocate capital, develop capabilities and pursue growth opportunities, ensuring that we continue to create sustainable long-term value while remaining true to our identity as a responsible and honest food company.

Expanding Our Capabilities Across the Value Chain in Malaysia

Strategically investing in farming, manufacturing and distribution capabilities to increase capacity, strengthen operational efficiency and support growth across multiple product categories

Continue to Develop and Grow Our Product Portfolio

Capturing a greater share of wallet by expanding into categories where we can leverage our strong credentials in health, nutrition and product quality

Regional Expansion Outside of Malaysia

Capitalising on growing regional demand for dairy and nutritional products through exports and, where viable, the development of localised farming and manufacturing capabilities



Our Strategic Priorities

EXPANDING OUR CAPABILITIES ACROSS THE VALUE CHAIN IN MALAYSIA

As demand for our products continues to grow, we are strengthening the farming, manufacturing and distribution capabilities that underpin our vertically integrated "grass-to-glass" model. By expanding capacity, improving operational efficiency and investing in strategic infrastructure, we are building a stronger foundation for future growth while enhancing our ability to serve customers across Malaysia.

Key Priorities

- Expand domestic farming and processing capacity
- Strengthen manufacturing capabilities and extend our distribution network
- Enhance our revenue-generating capabilities and drive improved shareholder returns

Our Action Plans

- Complete and commission the Bandar Enstek manufacturing hub to support large-scale CPG ice cream production and selected plant-based product lines
- Progress the Muadzam Shah farm expansion by increasing barn capacity, enhancing milking infrastructure and growing herd size
- Expand freezer deployment and drop-point coverage across Malaysia, including petromarts, mini markets, convenience stores and East Malaysia channels
- Leverage the proposed acquisition of the Amelia ice cream brand to strengthen our manufacturing footprint, cold-chain capabilities and distribution reach across East Malaysia and Brunei

Actions Taken in FY2026

- Advanced the Bandar Enstek manufacturing hub, which is slated to commence operations in 2026 and is expected to produce approximately one million pieces of ice cream per day once operational
- Increased Taiping plant output to 300,000 pieces of ice cream per day following the installation of a second extrusion line
- Expanded the Muadzam Shah farm with an additional 500 acres of land leased from the Pahang State Government, doubling total capacity to more than 7,000 cows
- Grew our CPG ice cream distribution footprint to approximately 11,000 freezers, with ongoing efforts to expand coverage across Malaysia, including Sabah and Sarawak
- Entered into a share sale agreement to acquire the Amelia ice cream in Sabah, providing access to a factory in Kota Kinabalu Industrial Park, five production lines, 25 owned trucks and more than 3,500 freezers

Key Performance Indicators

- 15% increase in production capacity

Our Strategic Priorities

CONTINUE TO DEVELOP AND GROW OUR PRODUCT PORTFOLIO

We continue to strengthen our position as a diversified, multi-category FMCG player by developing products that address evolving consumer preferences, nutritional needs and consumption occasions. Building on the trust and brand equity established through our dairy portfolio, we are expanding into adjacent categories while increasing our share of wallet across both consumer and food service channels.

Key Priorities

- Diversify our product range across dairy, dairy-adjacent, plant-based and functional beverage categories
- Strengthen our presence in high-growth and higher-margin segments
- Develop food service-specific offerings to deepen HORECA penetration
- Enhance production efficiency and scalability to support new product commercialisation

Our Action Plans

- Continue expanding our dairy and CPG ice cream range, supported by increased production capacity at Taiping and Enstek
- Further develop our product range to serve HORECA customers, including HORECA-specific pack sizes, including bulk formats for commercial kitchens and single-serve formats
- Continue exploring plant-based, and enriched dairy products to meet growing demand from health-conscious consumers

Actions Taken in FY2026

- Realised increased revenue contribution from recently entered product categories, including CPG ice cream, growing up milk, chocolate malt and butter
- Introduced a UHT variant of Moola Choco Malt to extend its geographical reach and strengthen our position within the UHT segment
- Introduced new flavoured milk and CPG ice cream variants to deepen penetration and grow market share within these categories

Key Performance Indicators

- New products introduced beyond the dairy segment as well as the existing dairy segment

Our Strategic Priorities

REGIONAL EXPANSION OUTSIDE OF MALAYSIA

We aim to build a sustainable regional platform by expanding into attractive Southeast Asian markets and progressively localising production where scale and market conditions support it. By combining the strengths of our integrated operating model with market-specific products, distribution strategies and partnerships, we are establishing the foundations for long-term growth beyond Malaysia.

Key Priorities

- Scale our Philippines operations from market entry to broader commercial growth
- Establish Cambodia as a new regional platform for the wider Indochina market
- Develop market-specific product formats
- Evaluate new opportunities across Southeast Asia in a disciplined manner

Our Action Plans

- Increase utilisation of our San Simon facility in the Philippines by growing sales of pasteurised and UHT products across modern trade and HORECA channels
- Continue to grow Cambodia exports while progressing the construction of a local production facility, which is slated for completion in mid-2026
- Assess the viability of Indonesia and other Southeast Asian markets based on regulatory complexity, land availability, market demand, cost-to-serve considerations and long-term supply security

Actions Taken in FY2026

- Increased the contribution of regional markets to overall growth, supported by stronger sales in the Philippines and Cambodia
- Strengthened our reach in the Philippines through the San Simon facility, with Farm Fresh products now present in 305 modern trade outlets and 74 food service accounts across Metro Manila
- Entered the Cambodian market and quickly gained traction across modern trade, convenience store, coffee chain and general trade channels

Key Performance Indicators

- New sales contribution from Cambodia and higher sales contribution from full year operations in the Philippines

Group Financial Review

FY2026 marked another year of strong growth for Farm Fresh Berhad, as the Group surpassed RM1.0 billion in annual revenue for the first time while continuing to invest in the manufacturing capacity, product innovation and regional footprint that will support our next phase of growth. Despite a more challenging operating environment in the second half of the year, our proven business model and proactive approach to cost management enabled us to sustain growth momentum and deliver another year of record profitability.

	FY2026 (RM million)	FY2025 (RM million)	Change
Revenue	**1,115.4**	981.2	13.7%
Gross Profit	**366.7**	315.2	16.3%
Operating Profit	**161.5**	131.8	22.5%
Profit Before Tax	**143.4**	115.2	24.5%
Profit After Tax	**130.4**	107.3	21.5%
PATAMI	**130.0**	106.4	22.1%

REVENUE

Group revenue increased by 13.7% year-on-year to RM1,115.4 million, crossing the RM1.0 billion mark for the first time. This performance was underpinned by strong growth in our Malaysian operations, where revenue increased by RM179.4 million or 20.4%, driven 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.

During the year, newer product categories continued to contribute positively to sales, broadening our revenue base beyond our traditional chilled and UHT dairy offerings while enabling us to serve a wider range of consumer needs and purchasing occasions.

Growth was also supported by stronger sales in the Philippines and maiden export sales to Cambodia, reflecting the continued progress of our regional expansion strategy. As we deepen our presence across Southeast Asia, these markets are expected to become increasingly important contributors to the Group's long-term growth.

In Australia, revenue decreased by 45.1% or RM45.1 million following lower export deliveries. Nevertheless, our Australian operations continue to play an important strategic role by providing access to high-quality dairy ingredients and specialised finished products that support both the Malaysian and regional markets.

PROFIT

Gross profit increased by 16.3% to RM366.7 million, while gross profit margin improved from 32.1% in FY2025 to 32.9% in FY2026. This reflected higher sales across our product portfolio together with a more favourable sales mix, driven by increased contributions from higher-margin powder-based products and CPG ice cream.

This improvement was achieved despite a more challenging operating environment during the latter part of the financial year. Higher distribution costs associated with school milk deliveries and export freight, increased e-commerce transaction fees, additional operating costs arising from business expansion and new Inside Scoop outlet openings, together with year-end adjustments in the Philippines and a fair value loss on biological assets, placed pressure on profitability. Towards the end of the financial year, geopolitical developments in the Middle East also disrupted the supply of HDPE resin used in our fresh milk packaging. We responded by increasing production of our gable-top paper cartons, sourcing resin from alternative suppliers in China, and implementing selective price adjustments to partially offset the higher input costs. These challenges were partly offset by gains of RM1.7 million from the disposal of Goulburn Valley Creamery in Australia and RM0.9 million from the divestment of our Jomcha subsidiary.

Together, these factors contributed to a 24.5% increase in profit before tax to RM143.4 million. Profit after tax rose by 21.5% to RM130.4 million, while PATAMI increased by 22.1% to RM130.0 million. This marks another record year for the Group, reinforcing the resilience of our vertically integrated "grass-to-glass" business model and the effectiveness of our long-term growth strategy.

OUR SOLID FINANCIAL POSITION

During FY2026, total assets increased by 38.0% from RM1,351.2 million to RM1,864.3 million, reflecting our continued investment in capacity expansion, inputs and technologies required to facilitate product innovation and geographical expansion.

Property, plant and equipment (PPE) increased to RM617.1 million, reflecting continued investment in strategic projects, including the Bandar Enstek

Group Financial Review

central manufacturing hub, ongoing enhancements at our Taiping facility, the expansion of Jacob Farm in Muadzam Shah, and the development of our upcoming production facility in Cambodia.

Meanwhile, inventories increased to RM233.9 million, reflecting higher stock levels required to support the School Milk Programme and growing export volumes to Cambodia. Trade and other receivables rose to RM309.9 million, mainly attributable to advance purchases of dairy raw materials and butter, as well as downpayments for ongoing plant expansion projects.

Cash and cash equivalents increased to RM171.6 million, while other investments rose to RM194.4 million following the drawdown of our two latest Sukuk issuances (Sukuk 3 and Sukuk 4), amounting to RM125 million and RM200 million respectively, providing funding to support the Group's continued expansion.

Total equity increased by 13.7% from RM728.2 million to RM827.9 million, supported by the Group's stronger profitability during the year. Net assets per share attributable to owners of the Company also improved from RM0.37 to RM0.43.

Total liabilities increased from RM622.9 million to RM1,036.4 million, principally reflecting higher borrowings to finance ongoing capacity expansion, regional growth initiatives and working capital requirements. Loans and borrowings increased to RM713.8 million, while trade and other payables rose to RM171.1 million in line with the Group's larger operating scale.

REWARDING OUR SHAREHOLDERS

In line with our commitment to distribute at least 25% of yearly net profit to shareholders, a final single-tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 March 2025, amounting to approximately RM18.8 million, was paid on 17 October 2025. The total dividend payout for FY2025 amounted to RM37.5 million, representing a payout ratio of 35%.

The Board has proposed a final single-tier dividend of 2.00 sen per ordinary share, totalling approximately RM37.7 million, in respect of the financial year ended 31 March 2026, subject to shareholders' approval at the forthcoming Annual General Meeting, equivalent to a payout ratio of 25%.

OUTLOOK AND PROSPECTS

Looking ahead, we remain focused on sustaining growth across our diversified product portfolio, capitalising on sustained consumer demand for high-quality, nutritious products to drive further revenue growth across our retail, mini market, HORECA and export channels.

To support this growth, we will continue investing in manufacturing capacity and operational efficiency. The upcoming Bandar Enstek central manufacturing facility will become our hub for higher-margin categories, including CPG ice cream, plant-based and PE bottle-based products, while also serving as our centre of excellence for creamery products. Together with our expanded production capabilities at Taiping, this will enable greater specialisation across our manufacturing network, supporting improved efficiency, lower production costs and stronger long-term profitability.

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 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 operation will continue to improve in the next financial year, which are poised to record better results with an uptick in UHT sales and continuing take-up of our pasteurized products in Manila.

The Group has 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.

At the upstream level, the continued expansion of Jacob Farm in Muadzam Shah remains central to securing future milk supply and reinforcing the resilience of our vertically integrated business model. Collectively, these investments provide a strong platform to support the Group's next phase of growth while creating long-term value for our shareholders.

Nevertheless, we remain mindful that the uncertain geopolitical situation in the Middle East may continue to affect the operating environment in the coming financial year through increased volatility in commodity prices, foreign exchange markets and global supply chains. To manage these risks, we will continue to undertake operational and financial hedging measures, including the forward purchase of key commodities and the use of forward foreign exchange contracts to provide greater certainty over input costs and protect margins.

5-Year Group Financial Summary

Year Ended 31 March	2026 RM'000	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000
Results					
Revenue	**1,115,438**	981,181	810,411	629,691	501,921
Gross Profit	**366,666**	315,234	216,043	149,653	136,344
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	**228,095**	190,359	133,594	96,868	104,082
Profit Before Tax ("PBT")	**143,431**	115,233	69,065	52,174	65,684
Profit After Tax ("PAT")	**130,350**	107,315	63,281	49,934	78,565
Profit Attributable to Owners of the Company ("PATAMI")	**129,959**	106,395	63,530	50,080	79,887
Statements of Financial Position Summary					
Non-current Assets	**929,813**	812,674	783,356	576,554	480,311
Current Assets	**934,509**	538,495	496,245	486,082	529,703
Total Assets	**1,864,322**	1,351,169	1,279,601	1,062,636	1,010,014
Share Capital	**420,077**	404,847	399,555	381,071	380,607
Reserves	**378,692**	295,285	266,858	249,934	225,336
Equity Attributable to Owners of the Company	**798,769**	700,132	666,413	631,005	605,943
Non-controlling Interests	**29,111**	28,107	26,558	4,897	5,019
Current Liabilities	**468,849**	209,177	169,452	161,335	146,607
Non-current Liabilities	**567,593**	413,753	417,178	265,399	252,445
Total Equity and Liabilities	**1,864,322**	1,351,169	1,279,601	1,062,636	1,010,014
Performance Indicators					
Basic Earnings Per Ordinary Share (sen)*	**6.92**	5.68	3.40	2.69	4.87
Net Dividends Per Share (sen)**	**2.00**	2.00	1.20	1.00	1.07
Net Assets Per Share (RM)	**0.43**	0.37	0.36	0.34	0.37
Net Gearing Ratio (Times)	**0.42**	0.39	0.37	0.51	0.43
Return on Equity (%)*@	**17.3**	15.7	9.4	9.0	17.7
Net Operating Cash Flow (RM'000)	**124,065**	156,142	134,995	(19,929)	49,202

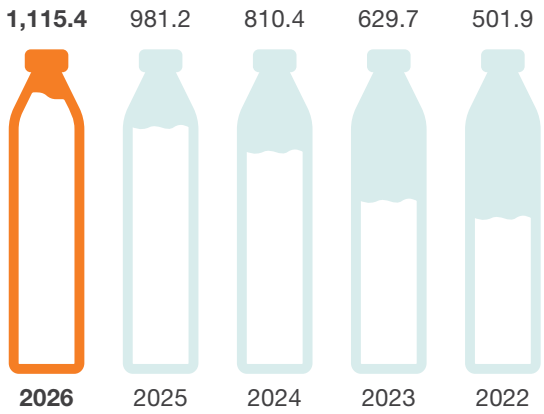
* *Basic earnings per share is computed based on the weighted average number of ordinary shares for the financial year under review.*

** *A final dividend of 2.00 sen per ordinary share totalling RM37.7 million in respect of the year ended 31 March 2026, subject to the approval of the shareholders at the forthcoming Annual General Meeting.*

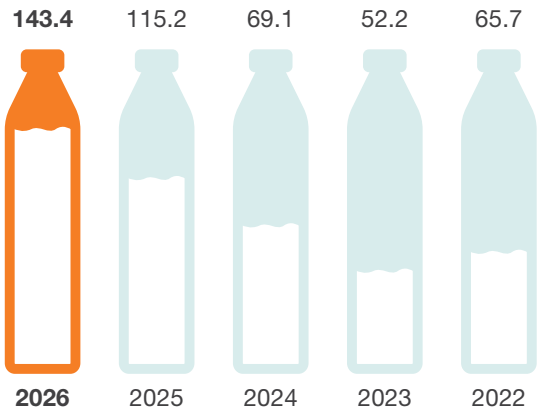
@ *Calculated using normalised PAT.*

5-Year Financial Highlights

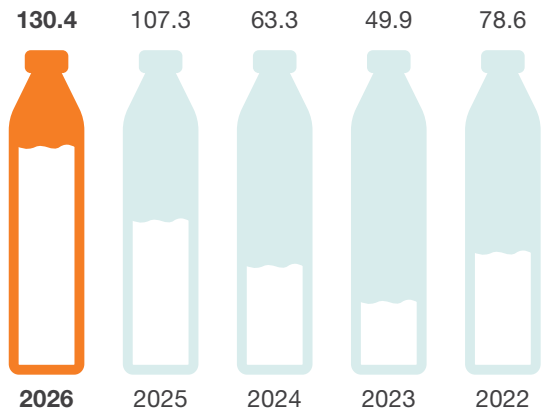
REVENUE (RM MILLION) +13.7%



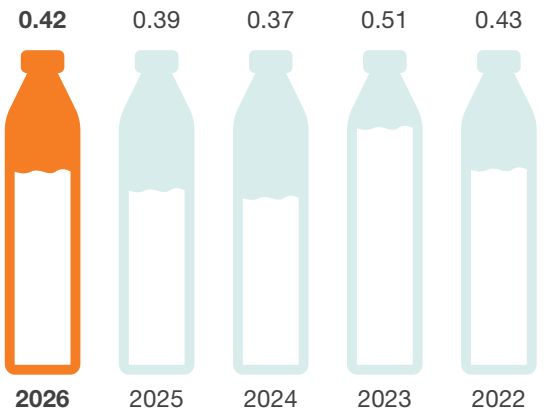
PROFIT BEFORE TAX (RM MILLION) +24.5%



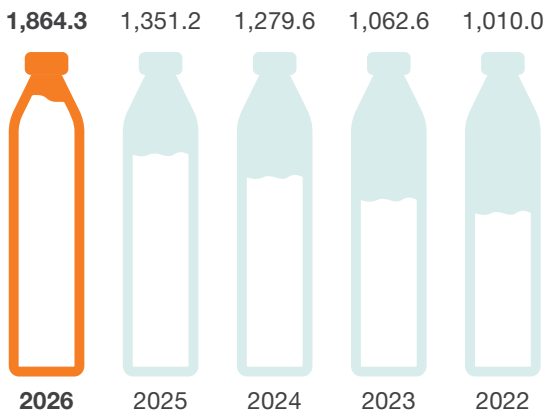
PROFIT AFTER TAX (RM MILLION) +21.5%



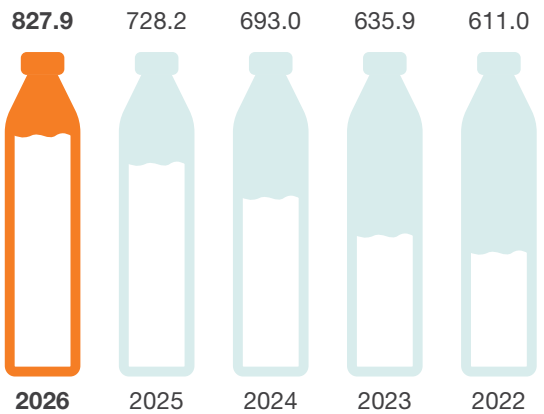
NET GEARING RATIO (TIMES)



TOTAL ASSETS (RM MILLION) +38.0%



SHAREHOLDERS' EQUITY (RM MILLION) +13.7%



Our Financial Snapshot

For FY2026, we delivered another year of improvement across key financial metrics, supported by stronger sales, regional expansion, new product contributions and disciplined cost management.

GROUP REVENUE

- Total revenue grew by 13.7% from RM981.2 million in FY2025 to RM1,115.4 million in FY2026, surpassing the RM1 billion mark for the first time.
- This was mainly driven by higher school milk sales, as well as contributions from sales channels such as large format retail, mini markets, and e-commerce.
- New product contributions were led by butter, AusFresh, full cream milk powder, and Moola ChocoMalt powder, while CPG ice cream continued to record strong growth.
- Revenue growth was further supported by higher sales in the Philippines and maiden export sales to Cambodia, reinforcing the growing contribution of our international operations.
- Revenue from Australia declined during the year following lower export deliveries and the disposal of Henry Jones Foods' Taylor's sauce brand.

GROSS PROFIT

- Gross profit increased by 16.3% to RM366.7 million in FY2026, compared to RM315.2 million in FY2025.
- Gross profit margin improved from 32.1% to 32.9%, supported by higher sales, stronger production volumes, and a more favourable sales mix.
- This improvement was achieved despite higher distribution costs arising from increased school milk sales and export freight, higher e-commerce transaction fees, additional operating costs associated with business expansion and new Inside Scoop outlet openings, together with year-end adjustments in the Philippines and a fair value loss on biological assets.

PROFIT BEFORE TAX

- Profit before tax increased by 24.5%, from RM115.2 million in FY2025 to RM143.4 million in FY2026.



Statement of Financial Position

In FY2026, we increased our asset base significantly, investing to secure future capacity and expand our capabilities necessary to support long-term growth. While this has led to higher borrowings and liabilities, our net gearing ratio remains manageable, supported by strong cash reserves and disciplined cost management.

TOTAL ASSETS

- Total assets increased by 38.3% from RM1,351.2 million in FY2025 to RM1,864.3 million in FY2026.
- Non-current assets grew by 14.4% to RM929.8 million, mainly driven by higher property, plant and equipment (PPE), which increased to RM617.1 million. This reflected our continued investment in strategic projects, including the Bandar Enstek central manufacturing hub, ongoing enhancements at our Taiping manufacturing facility, the expansion of Jacob Farm in Muadzam Shah, and the development of our upcoming production facility in Cambodia.
- Current assets increased by 73.5% to RM934.5 million, supported by higher inventories, trade and other receivables, other investments and cash balances.
- Inventories rose by 33.4% to RM233.9 million, reflecting higher stock levels to support School Milk Programme delivery requirements and growing export volumes.
- Trade and other receivables increased by 49.8% to RM309.7 million, mainly attributable to higher advance payments for dairy raw materials and butter, as well as downpayments made for ongoing plant expansion projects.
- Cash and cash equivalents increased to RM171.6 million, while other investments rose to RM194.4 million following the drawdown of our two latest Sukuk issuances (Sukuk 3 and Sukuk 4), providing funding to support the Group's continued expansion.

TOTAL LIABILITIES

- In line with our investment in growth and expansion, our total liabilities increased by 66.4% from RM622.9 million in FY2025 to RM1,036.4 million in FY2026.
- Loans and borrowings increased to RM713.8 million, reflecting a larger financing base as we continued to invest in capacity expansion, regional growth, and working capital requirements.
- Trade and other payables increased by 60.4% to RM171.1 million, broadly in line with our expanded operating scale.

TOTAL EQUITY

- Total equity increased by 13.6% from RM728.2 million in FY2025 to RM827.9 million in FY2026.
- The 13.6% uptick was contributed by the Group's profitability and was partially offset by dividend payments amounting to RM 18.8 million and put option liability of RM19.8 million.

NET GEARING RATIO

- Although borrowings increased during the year to finance strategic investments and expansion, the Group's net gearing ratio remained at a prudent level of 0.42 times (FY2025: 0.39 times), reflecting a balanced approach to funding long-term growth.

CURRENT RATIO

- The Group's current ratio decreased to 1.99 times, primarily due to the reclassification of RM200 million in Sukuk borrowings maturing in May 2026 from non-current to current liabilities, rather than any weakening in the Group's underlying liquidity position.



Investor Relations

We are committed to ensuring that accurate information regarding our corporate strategy and financial performance is shared with investors and stakeholders in a timely and transparent manner. Hence, we maintain regular interactions with the investment community, such as analysts, fund managers, institutional and retail investors, and the media in line with our Investor Relations Policy.

Furthermore, our corporate website at www.farmfresh.com.my/investor-relations serves as a record of all relevant documents such as financial statements submitted to the stock exchange, investor presentations, and press releases.

ANALYST AND MEDIA BRIEFINGS

Financial Results	Date of Announcement	Date of Briefing
Farm Fresh Q1 FY2026 Results Briefing	27 August 2025	28 August 2025
Farm Fresh Q2 FY2026 Results Briefing	26 November 2025	26 November 2025
Farm Fresh Q3 FY2026 Results Briefing	26 February 2026	26 February 2026
Farm Fresh Q4 FY2026 Results Briefing	22 May 2026	22 May 2026

INVESTOR RELATIONS EVENTS

In FY2026, we participated in various meetings, conferences and briefings – as listed below – to actively engage with the investment community.

Events	Venue	Date
Farm Fresh & BNM	UPM	21 Apr 2025
Site Visit to Larkin (Affin)	Larkin	28 Apr 2025
Invest ASEAN-Malaysia Conference 2025	KL	2 July 2025
One-on-One Meeting with EPF	Menara KWSP	8 Sept 2025
Site Visit to Muadzam Shah (Kenanga)	Muadzam	11 Sept 2025
Institutional Investors Council Malaysia	UPM	12 Sept 2025
Site Visit to UPM (PNB)	UPM	18 Sept 2025
Khazanah Megatrends Forum 2025	KL	5 Oct 2025
Karnival Saham MITI	Dewan Perdana MITI	6 Oct 2025
Nomura Consumer Day	Virtual	22 Oct 2025
Site Visit to Muadzam Shah (EPF)	Muadzam	27 Oct 2025
Macquarie Malaysia Consumer Day	KL	4 Nov 2025
One-on-One Meeting with Manulife Investments	Virtual	9 Dec 2025
Site Visit to UPM (Kenanga)	UPM	15 Jan 2026
Nomura Asean+ Conference Day 2026	KL	20 Jan 2026
Macquarie Malaysia Corporate Day	Singapore	29 Jan 2026
22nd CITIC CLSA Asean Forum 2026	Bangkok	10 Mar 2026

Investor Relations

Engagement with the Investment Community

Site Visits

Muadzam Shah, Pahang
- 11 Sept 2025
- 27 Oct 2025

Larkin, JB
- 28 Apr 2025

UPM, Selangor
- 21 Apr 2025
- 12 Sept 2025
- 18 Sept 2025
- 15 Jan 2026

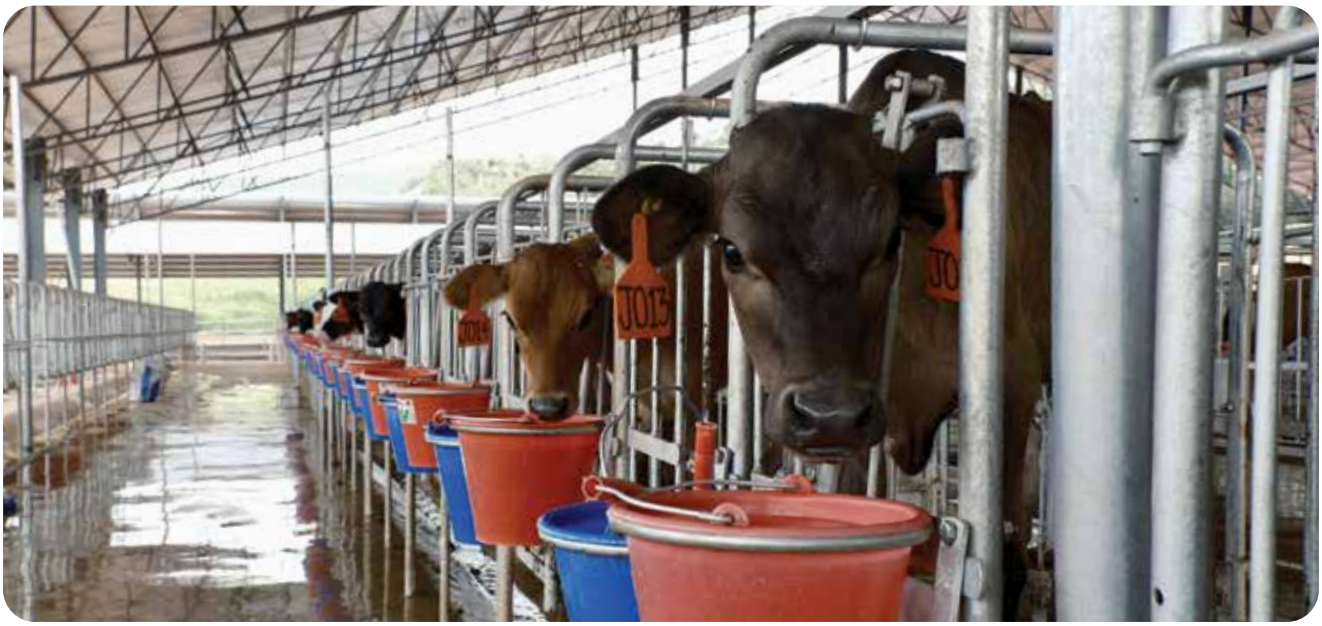
One-on-One Meetings

In-person
- 8 Sept 2025
- 5 Oct 2025
- 6 Oct 2025

Virtual
- 22 Oct 2025
- 9 Dec 2025

Small Group Meetings

In-person
- 2 July 2025
- 4 Nov 2025
- 20 Jan 2026
- 29 Jan 2026
- 10 Mar 2026



Investor Relations

RESEARCH COVERAGE AND CREDIT RATING

Our stock (Bursa: 5306, Bloomberg: FFB:MK) is currently tracked by eleven (11) sell-side analysts and research houses.

Research Houses

1. Macquarie Research
2. BIMB Securities
3. Affin Hwang Investment Bank
4. Nomura Research
5. Maybank Investment Bank
6. RHB Investment Bank
7. TA Securities
8. CIMB Securities
9. CGS International
10. JP Morgan
11. CITI Bank

We also maintain regular dialogue with Malaysian Rating Corporation Berhad (MARC), where Senior Management engages the agency on the Group's financial position, performance and strategic direction. These discussions are supported by our Investor Relations team, which ensures that operational and financial information is disclosed comprehensively to facilitate a fair assessment. We are pleased that MARC Ratings has affirmed the AA-IS rating on Farm Fresh Berhad's RM1.0 billion Islamic Medium-Term Notes Programme under the Shariah principle of Wakalah Bi Al-Istithmar, with a stable outlook.



ANNUAL GENERAL MEETING

The 14th Annual General Meeting of Farm Fresh Berhad was held on Thursday, 25 September 2025 at 2.30 p.m., in person at the Kuala Lumpur Golf and Country Club and online via the ConveneAGM meeting platform.

During the meeting, shareholders voted on the proposed resolutions set out in the Notice of the 14th AGM dated 31 July 2025. In compliance with paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, which requires all resolutions in the notice of a general meeting to be voted on by poll, a total of eight ordinary resolutions were presented for shareholders' approval.

All eight resolutions were duly passed by shareholders, including the final single-tier dividend of 1.00 sen per ordinary share for FY2025, with the poll results validated by an independent scrutineer appointed by the Company.

The Board and Management Team also addressed questions raised by the Minority Shareholders Watch Group and other shareholders. A compilation of the responses is included in the AGM minutes, which are available on our corporate website.

Financial Calendar

2025

29 May 2025
Announcement on unaudited financial results for the 4th quarter ended 31 March 2025.

30 July 2025
Announcement on the notice of Annual General Meeting for the financial year ended 31 March 2025.

Announcement on a final single tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 March 2025.

31 July 2025
Issuance of Annual Report for the financial year ended 31 March 2025 and Circular to Shareholders.

28 August 2025
Announcement on unaudited financial results for the 1st quarter ended 30 June 2025.

25 September 2025
14th Annual General Meeting.

17 October 2025
Payment of final single tier dividend of 1.00 sen per share in respect of the financial year ended 31 March 2025.

2026

26 February 2026
Announcement on unaudited financial results for the 3rd quarter ended 31 December 2025.

22 May 2026
Announcement on unaudited financial results for the 4th quarter ended 31 March 2026.

Operational Review



In this operational review, we highlight our progress across our three core segments — farming, manufacturing, and distribution — during FY2026. We also outline the initiatives undertaken to enhance our operational and sustainability performance, reaffirming our commitment to building a resilient and future-ready dairy business that delivers value to consumers, communities, and stakeholders alike.



Operational Review

FARMING

OPTIMISING OUR FARM CAPACITY

We continue to optimise our upstream farming capabilities as a core pillar of our vertically integrated "grass-to-glass" model. While we maintain direct oversight of our key dairy farms in Malaysia, we are also adopting more efficient operating models where appropriate to strengthen milk supply, improve cost efficiency and reduce exposure to operational complexity.

In FY2026, our landbank and dairy herd base decreased to 3,863 acres and 14,785 dairy cows and bulls, respectively, following the decision to dispose of Goulburn Valley Creamery, our second farm in Greater Shepparton, Australia. This reflects our strategic pivot towards an asset-light model in Australia, where we continue to leverage established relationships with third-party farmers to secure milk supply while reducing overheads and exposure to the complexities of operating additional farm assets.

In Malaysia, a key milestone was achieved at Jacob Farm (Muadzam Shah 2), where seven barns and a calf pen were completed during the year, while the rotary milking parlour became operational in March 2026. The farm is expected to reach full capacity within the next two to three years, with the arrival of 2,000 dairy cows expected in October 2026. Upon full completion, the expansion will more than double the farm's capacity to over 7,000 dairy cows, substantially strengthening our raw milk supply capabilities.

STRENGTHENING OUR REGIONAL FARMING PRESENCE

As we strengthen our regional growth platform, we are also laying the groundwork to extend our upstream farming capabilities beyond Malaysia and Australia. The Group is exploring the development of a large scale commercial dairy farm under the proposed Keningau Dairy Valley project in Sabah.

By establishing local farming capacity, we aim to strengthen supply resilience, enhance traceability and support the long-term availability of fresh milk for our Sabah operations. It also complements our recent acquisition of Amelia, which we will add a pasteurised line to produce our chilled products directly for Sabah consumers, as well as beyond the state including Brunei and Sarawak. This project will create opportunities to combine Farm Fresh's operational expertise with local agricultural knowledge, supporting capability-building and the development of a more sustainable dairy ecosystem in the East Malaysia.

We are also assessing further upstream opportunities in the region, including a proposed dairy farm in Pursat, Cambodia and Bandung, Indonesia. These initiatives will strengthen our longer-term raw milk supply base, support regional expansion, and reinforce our position as an integrated dairy player across Southeast Asia.



Operational Review

LAND BANKS AND DAIRY HERD

	FY2024	FY2025	FY2026
Farms	7 | 5 in Malaysia 2 in Australia	7 | 5 in Malaysia 2 in Australia	**7** | **6 in Malaysia 1 in Australia**
Total Acreage	5,367	5,367	**3,863**
Total Dairy Herd Size	11,852	12,985	**12,029**
Total Dairy Herd Capacity	12,500	14,500	**18,280**

Farms	Dairy Cows	
	FY2025	FY2026
Malaysia		
Selama	3,353	**3,546**
Muadzam Shah	3,179	**3,046**
Jacob Farm (Muadzam Shah 2)	–	**915**
Mawai	1,864	**1,728**
Desaru	699	**693**
UPM	496	**487**
Australia		
Greater Shepparton	3,394	**1,614**
Total	12,985	**12,029**

Operational Review

MANUFACTURING

EXPANDING OUR MANUFACTURING CAPACITY

In FY2026, we continued to strengthen our manufacturing platform to support demand growth across our core dairy portfolio, expanding product range and regional markets.

At Taiping, we expanded our CPG ice cream production capacity through the installation of additional production lines. These enhancements increased the plant's capacity to up to 300,000 units per day, comprising 180,000 pieces of extruded ice cream 120,000 pieces of moulded sticks. This provides us with greater near-term flexibility to support the continued growth of our CPG ice cream segment following its successful launch in August 2024, while maintaining responsiveness to seasonal demand and evolving consumer preferences.

We have also progressed the development of our Bandar Enstek manufacturing hub, which is set to commence operations in 2026. The Enstek facility will function as a specialised centre for CPG ice cream, plant-based products, and PE-bottle-based products. Upon commencement, the plant is expected to significantly enhance our ice cream production capacity to approximately one million pieces per day. This additional capacity will allow us to further accelerate growth in the CPG ice cream segment, broaden our SKU pipeline and improve our ability to serve large-format retailers, mini markets, convenience stores and other high-growth channels.

We are also strengthening our production footprint in East Malaysia through the proposed acquisition of Amelia, an ice cream company in Sabah. From a manufacturing perspective, the acquisition provides us with immediate access to an existing ice cream production base in Sabah. Separately, we plan to utilise available space at the facility to run a pasteurised line, enabling Farm Fresh Borneo to support localised production and distribution of our broader product portfolio in East Malaysia and Brunei.





Operational Review

ENTERING INTO NEW PRODUCT CATEGORIES

Our production strategy remains anchored in disciplined capacity expansion, product quality and speed to market. In FY2026, while we did not enter entirely new product categories, we deepened our presence across existing and adjacent categories through new SKUs, product variants and flavour extensions. In total, we commercialised 12 new products, bringing our total product portfolio to over 220 SKUs.

Key product developments included a new UHT variant of Moola Choco Malt, new flavours of flavoured milk and additional CPG ice cream offerings. These efforts reinforced our leadership in the chilled milk segment, where we maintained a market share of over 60%, while strengthening our market share in UHT to close to 30%.

LOCALISING PRODUCTION REGIONALLY

As we accelerate our expansion beyond Malaysia, we are placing greater emphasis on localised production to support our regional growth ambitions. Establishing manufacturing and production capabilities closer to our target markets enables us to widen the range of products we can offer in each country and improve supply chain efficiency.

In the Philippines, our San Simon production facility became operational in September 2024 and now serves as an important platform for our entry into the Greater Manila market. The facility supports the production of chilled, UHT products and milk powder products, enabling us to serve both consumer and food service channels more effectively. The proposed development of a dairy farm in the country will create strong synergies with the facility, enabling us to utilise our local production capacity more efficiently.

In Cambodia, meanwhile, a 75,000 square metre local production facility is currently under construction and targeted for completion in 2026. Once operational, the Cambodia facility is expected to support more cost-efficient production, while also providing a base to explore expansion opportunities into neighbouring markets such as Laos and Vietnam.

PROCESSING FACILITIES AND PRODUCTION CAPACITY

	FY2024	FY2025	FY2026
Number of Processing Facilities	4 (3 in Malaysia, 1 in Australia)	5 (3 in Malaysia, 1 in Australia, 1 in Philippines)	5 (3 in Malaysia, 1 in Australia, 1 in Philippines)
Annual Production Capacity of Finished Goods: Chilled and UHT milk (million litres)	193.7	202.9	**239.5**
Annual Production Capacity of Finished Goods: CPG Ice Cream (million pieces)	42.0	54.7	**65.0**
Annual Production Capacity of Finished Goods: Milk Powder (million kg)	0.3	2.0	**2.9**
Annual Production Capacity of Processed Milk (million litres)	84.0	84.0	**84.0**
Stock Keeping Units (number)	192	216	**>220**

Operational Review

DISTRIBUTION

STRENGTHENING OUR DISTRIBUTION NETWORK

Our multi-channel distribution network is central to ensuring that Farm Fresh products remain accessible to consumers across different purchasing occasions, channels and geographies. In FY2026, we continued to serve customers through large-format retailers, convenience stores, mini markets, school milk channels, HORECA accounts, in-store outlets, e-commerce platforms, and our home dealer network. This diversified distribution network enables us to balance volume growth with deeper consumer reach, while supporting the expansion of our broader product portfolio across dairy, plant-based, powder, ice cream, and creamery products.

During the year, we recorded steady growth across several channels, including mini markets, e-commerce and school milk sales, which contributed positively to revenue growth. Our HORECA channel also continued to gain traction, with strong acceptance of our fresh milk among major baristas, reflecting its suitability for coffee applications and strengthening our position as a preferred dairy partner for cafes, restaurants, and other commercial customers.

In FY2026, we continued to build our digital sales capabilities through our own web-based shop at https://shop.farmfresh.com.my/. Beyond this, we expanded our presence across online platforms such as Shopify, TikTok, Shopee and Lazada. Together, online sales contributed RM48.5 million to revenue, while supporting more data-driven insights into preferences, buying patterns, and product demand.

Our home dealer programme continued to evolve during the year. Following the network rationalisation undertaken in FY2025, we have adopted a leaner and more disciplined operating structure focused on quality rather than quantity. Instead of expanding the network purely by number of stockists, home dealers and agents, our priority is to improve sales per partner, sharpen territorial coverage, and provide more focused support to higher-performing micro-entrepreneurs.

In East Malaysia, we took a significant step towards strengthening our distribution footprint through the proposed acquisition of Amelia, an established ice cream company in Sabah. With its existing logistics and distribution network across Kota Kinabalu, Tawau and Inanam, the acquisition is expected to provide immediate access to an established cold-chain platform for CPG ice cream in Sabah, while facilitating distrution of our broader portfolio across East Malaysia and Brunei.





Operational Review

EXPANDING INTERNATIONAL DISTRIBUTION

Beyond Malaysia, we continued to strengthen our regional distribution footprint by focusing on markets where demand for quality dairy products remains underpenetrated and where localised production can support more efficient market access. Our international strategy is centred on building a scalable route-to-market across modern trade, HORECA and general trade channels, while progressively reducing our reliance on cross-border exports.

In the Philippines, our San Simon facility continues to provide an important platform for local production and market development. Since commencing operations, we have expanded our presence to over 300 modern trade outlets and more than 70 food service accounts, with the majority concentrated in Metro Manila.

In Cambodia, we have made encouraging progress as export demand continues to build. Current export sales have grown to approximately RM4 million to RM5 million per month, exceeding our export sales to Singapore at the present rate. Our products are now present across key modern trade and food service channels, including supermarkets and coffee outlet networks, while our UHT products are also helping us penetrate the general trade segment. Cambodia also provides a strategic base from which we can evaluate broader opportunities across Indochina, as we have received interest from distributors in Vietnam to carry Farm Fresh products.



SALES AND DISTRIBUTION NETWORK

	FY2024	FY2025	FY2026
Finished Goods Sold for Dairy and Plant-Based Products (million litres)	108.9	130.6	**156.6**
Home Dealer Network			
Stockists (number)	58	51	**54**
Home Dealers (number)	762	326	**403**
Agents (number)	971	443	**252**
Retail Distribution			
Large Format Retailers (number)	15	15	**15**
Convenience Stores (number)	>9,700	>9,800	**>14,000**
HORECA Distribution			
Hotels (number)	9	10	**10**
Cafes and Restaurants (number)	2,700	3,000	**>2,000**

Corporate Information

BOARD OF DIRECTORS

DATO' DR. QUAZA NIZAMUDDIN BIN A. HASSAN NIZAM
Independent Non-Executive Chairman

LOI TUAN EE
Group Managing Director & Group Chief Executive Officer

LOI FOON KION
Non-Independent Non-Executive Director

JOCELYN NG LAI LENG
Independent Non-Executive Director

NIK FAZILA BINTI NIK MOHAMED SHIHABUDDIN
Independent Non-Executive Director

STEPHEN JOHN WATSON HAGGER
Independent Non-Executive Director

AUDIT & RISK MANAGEMENT COMMITTEE

Chairperson:
NIK FAZILA BINTI NIK MOHAMED SHIHABUDDIN

Members:
- **JOCELYN NG LAI LENG**
- **STEPHEN JOHN WATSON HAGGER**

NOMINATION & REMUNERATION COMMITTEE

Chairman:
STEPHEN JOHN WATSON HAGGER

Members:
- **LOI FOON KION**
- **JOCELYN NG LAI LENG**
- **NIK FAZILA BINTI NIK MOHAMED SHIHABUDDIN**

STOCK EXCHANGE LISTING

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD
Listing Date : **22 March 2022**
Stock Name : **FFB Stock**
Code : **5306**

HEAD/MANAGEMENT OFFICE

No. 11-1, Jalan Petaling
Kawasan Perindustrian Larkin
80350 Johor Bahru, Johor
Tel : +607 232 3463
Website : www.farmfresh.com.my
E-mail : custsvc@farmfreshmilk.com.my

COMPANY SECRETARY

CHIN WAI YI (MAICSA 7069783) (SSM Practising Certificate No. 202008004409)

AUDITORS

KPMG PLT (LLP0010081-LCA)
Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1,
Medini Iskandar
79200 Iskandar Puteri
Johor, Malaysia
Tel : +607 266 2213
Fax : +607 266 2214

REGISTERED OFFICE

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur, Malaysia
Tel : +603 2181 0516
Fax : +603 2181 0516

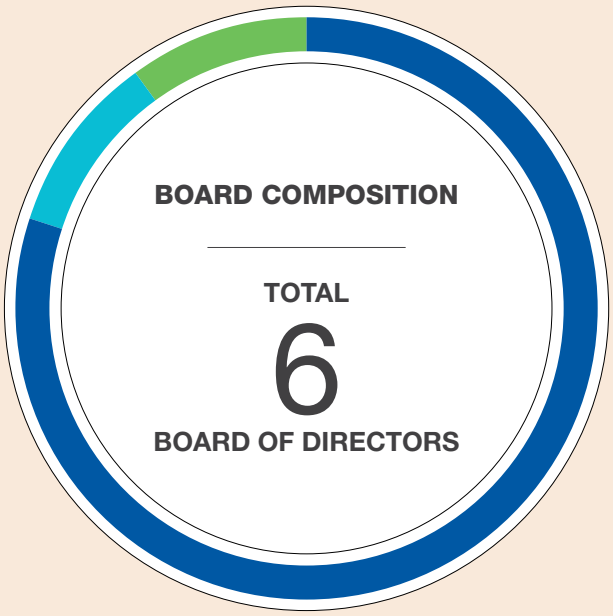
SHARE REGISTRAR

GAP ADVISORY SDN. BHD. (Registration No: 202001042098 [1398419-T])
E-10-4 Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur, Malaysia
Tel : +603 2181 0516
Fax : +603 2181 0516
E-mail : office@gapadvisory.my

PRINCIPAL BANKERS

- **CIMB Bank Berhad**
- **Hong Leong Bank Berhad**
- **Australia and New Zealand Banking Group Limited**

Board at a Glance





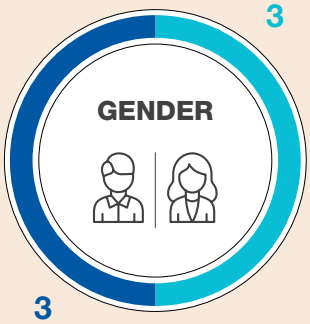
4 Independent Non-Executive Directors



1 Executive Director



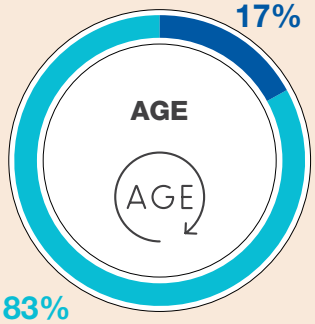
1 Non-Independent Non-Executive Director



Male Female



Chinese Malay Caucasian



51 to 60 years old
61 to 70 years old

BOARD COMMITTEE:

ARMC Audit & Risk Management Committee (Chairman)

NRC Nomination & Remuneration Committee (Chairman)

ARMC Audit & Risk Management Committee (Member)

NRC Nomination & Remuneration Committee (Member)

Profile of Board of Directors

DATO' DR. QUAZA NIZAMUDDIN BIN A. HASSAN NIZAM

Independent Non-Executive Chairman

Malaysian | 66 | Male

Date of Appointment:
- **25 September 2021** *(Independent Non-Executive Director)*
- **9 March 2026** *(Independent Non-Executive Chairman)*

Length of Service:
4 years 6 months *(as at 31 March 2026)*

Number of Board Meetings Attended: **5 / 5**

Membership(s) of Board Committees:
Nil



Dato' Dr. Quaza Nizamuddin Bin A. Hassan Nizam brings over 38 years of experience in veterinary medicine, animal health and livestock development. He graduated with a Doctor of Veterinary Medicine from Universiti Pertanian Malaysia in 1984. Subsequently, he obtained a Master of Science in Epidemiology and Preventive Veterinary Medicine from the Free University of Berlin, Germany, in 1994.

He began his career with the Malaysian Department of Veterinary Services (DVS) in 1984 as a Veterinary Officer in Negeri Sembilan, where he oversaw beef cattle operations at the Jelai Gemas farm. In 1989, he joined the DVS headquarters in Kuala Lumpur as a Veterinary Officer in the Farm Division, a position he held until 1993 before pursuing his postgraduate studies in Germany.

Upon returning to Malaysia in 1995, he served at the Veterinary Institute in Kluang, Johor, where he managed the dairy farm and conducted training programmes for undergraduates, farmers and DVS personnel.

From 2000 to 2011, he served as the DVS State Director for Kedah and subsequently Perak, playing a key role in advancing livestock development, improving farmers' livelihoods and strengthening animal health management, including the prevention and control of zoonotic diseases.

He later held several senior leadership positions within the DVS, including Director of the Livestock Technology Resources Development Division from 2011 to 2015 and Deputy Director-General (Development and Veterinary Health) from 2015 to 2017. In 2017, he was appointed Director-General of the DVS, a position he held until his retirement in 2020.

Throughout his distinguished public service career, he contributed significantly to the advancement of Malaysia's livestock industry. His key achievements include spearheading the implementation of regulations under the Feed Act 2009, driving the development of the Animal Welfare Act 2015, formulating strategic dairy and beef industry development programmes, strengthening national disease control initiatives, enhancing farm and processing plant certification systems and facilitating export market access for livestock and livestock-related products.

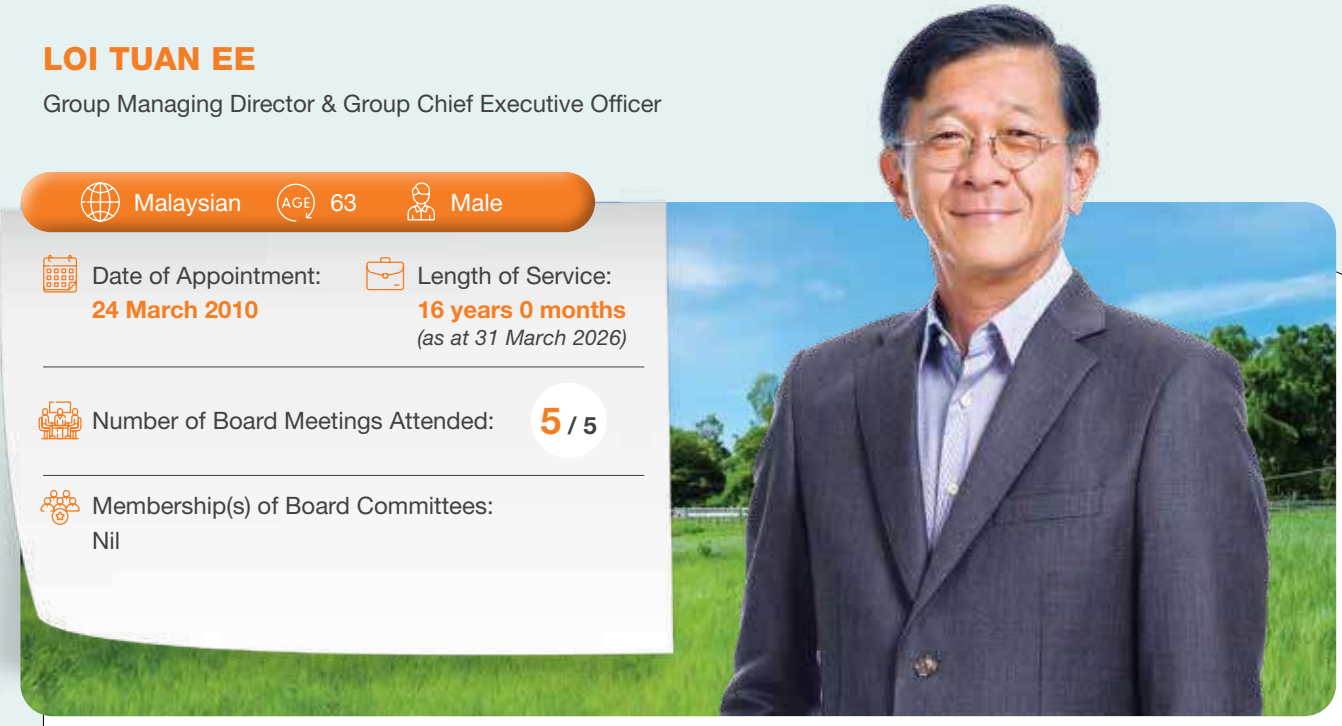
Currently, he serves as an Adjunct Professor at Taylor's University, Malaysia, and as a Director of the Malaysian Equine Council. He also holds directorships in several private limited companies.

He has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Board of Directors

LOI TUAN EE

Group Managing Director & Group Chief Executive Officer



Malaysian | 63 | Male

Date of Appointment: **24 March 2010**

Length of Service: **16 years 0 months** *(as at 31 March 2026)*

Number of Board Meetings Attended: **5 / 5**

Membership(s) of Board Committees: Nil

Loi Tuan Ee is one of the co-founders of our Group and serves as Group Managing Director & Group Chief Executive Officer. He completed his secondary education at Sekolah Menengah Jenis Kebangsaan Ayer Tawar, Sitiawan, Perak, Malaysia, in 1980.

He began his career in 1982 as a supervisor at Ayer Hitam Oil Mill Sdn. Bhd. before joining Kartika Machinery Sdn. Bhd. in 1984 as a Sales Representative, where he was responsible for the sales and marketing of industrial products.

In the same year, he established Ready Chemical (M) Sdn. Bhd. and Multiview Enterprise Sdn. Bhd., businesses involved in the sale of household care products and packaging materials, respectively. He subsequently joined Century Bond Berhad in 1991 and was appointed Deputy Managing Director in 2002, overseeing strategic planning and group development.

In 2005, he ventured into the agricultural sector by establishing Rainforest Capital, an investment holding company where he served as Managing Director. He further expanded his entrepreneurial pursuits by co-founding The Holstein Milk Company Sdn. Bhd. in 2010, laying the foundation for our Group's growth in the dairy industry.

As Group Managing Director & Group Chief Executive Officer, he leads the Group's strategic direction, business development initiatives and overall operations. Under his leadership, the Group has received numerous accolades, including the Best Dairy Farm award by Asia Livestock in 2015, the ASEAN Inclusive Business Award in 2020, five consecutive years Platinum Awards in the Beverage – Dairy category at the Putra Brand Awards from 2022 to 2026 and the Brand of the Year award in the Dairy Products category at the 2024–2025 and 2025-2026 World Branding Awards.

His personal achievements include being recognised as an "Endeavour Entrepreneur" at the 65th Endeavour International Selection Panel in Bali, Indonesia, in 2016 and being nominated for Ernst & Young (EY) Malaysia's Entrepreneur of the Year in the same year.

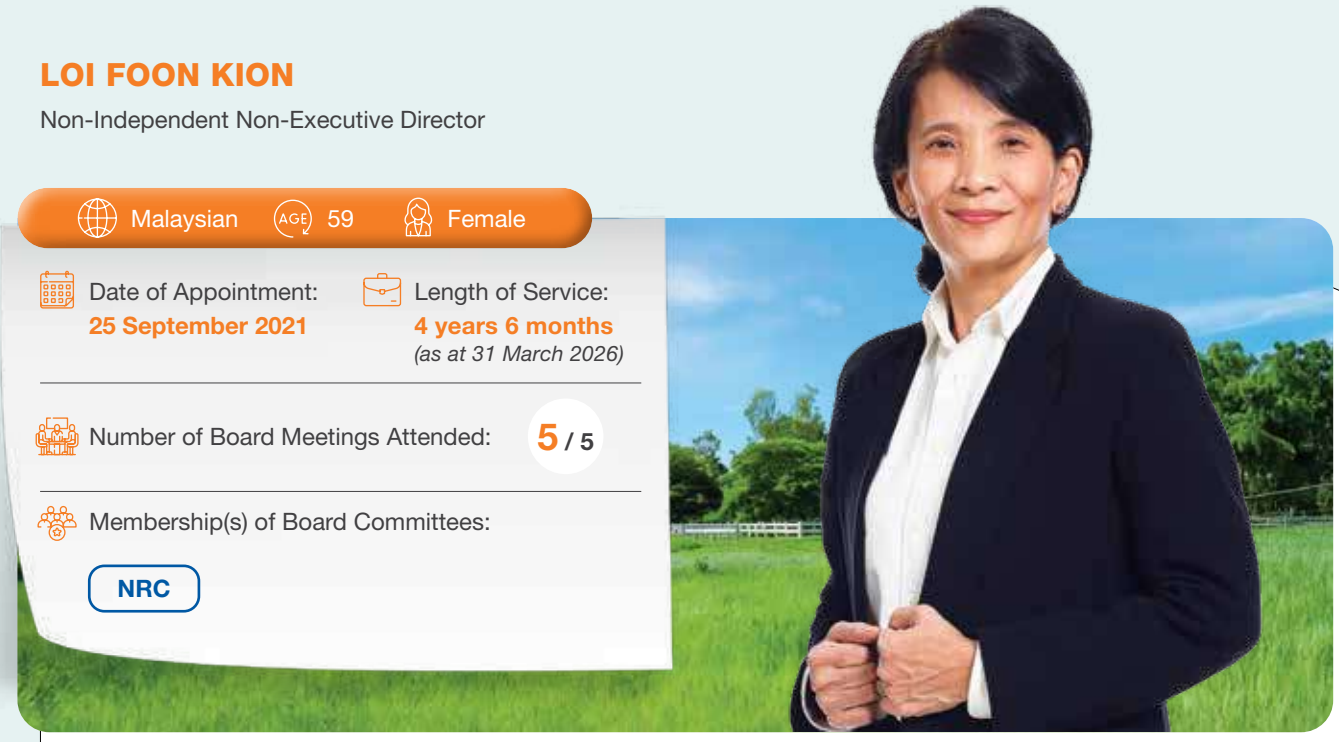
Beyond the Group, he has served as a Permanent Executive Committee member of the Malaysian National Food Security Council since 2020 and as a Committee Member of the Programme Review Committee of Universiti Putra Malaysia's Faculty of Educational Studies since July 2021. He also holds directorships in several private limited companies.

He has no conflict of interest with the Group. He is the brother of Loi Foon Kion and Loi Tuan Kin. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Board of Directors

LOI FOON KION

Non-Independent Non-Executive Director



Malaysian | AGE 59 | Female

Date of Appointment: **25 September 2021**

Length of Service: **4 years 6 months** *(as at 31 March 2026)*

Number of Board Meetings Attended: **5 / 5**

Membership(s) of Board Committees:

NRC

Loi Foon Kion graduated with a Bachelor of Science (First Class Honours) in Food Science and Nutrition from Universiti Kebangsaan Malaysia in 1991. She further enhanced her professional credentials by obtaining a Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants in 1996.

She began her career in 1991 with Wattie Food Services Sdn. Bhd. as a Food Technologist and subsequently advanced to the role of Quality Assurance Officer. During her tenure, she played a key role in developing and implementing the company's quality assurance programme and food safety standards.

In 1994, she joined T.A.S. Leisure Sdn. Bhd. as Special Projects and Administration Manager, where she oversaw procurement, quality assurance and financial administration functions. As part of the company's pioneering team, she contributed to the successful establishment of the first two Chilli's Grill & Bar outlets in Kuala Lumpur.

In 1997, she was appointed General Manager of Interni Asia Sdn. Bhd., an interior furnishing company, where she served until 1999. Following a seven-year sabbatical to pursue personal interests, she re-entered the workforce in 2006 as an Executive Director of Rainforest Capital, a company founded by her brother, Loi Tuan Ee.

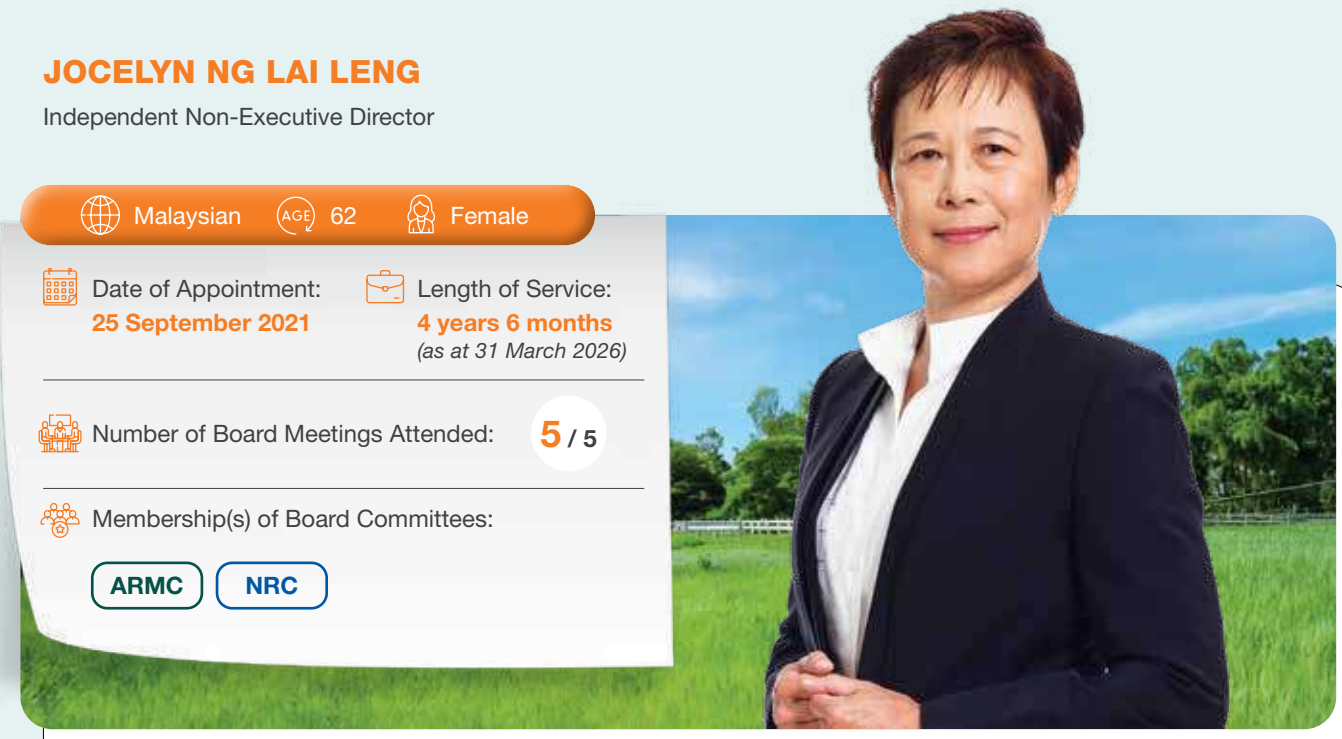
She currently serves as a director of several private limited companies.

She has no conflict of interest with the Group. She is the sister of Loi Tuan Ee and Loi Tuan Kin. She has not been convicted of any offences in the past five (5) years, nor was she subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Board of Directors

JOCELYN NG LAI LENG

Independent Non-Executive Director



Malaysian | 62 | Female

Date of Appointment: **25 September 2021**

Length of Service: **4 years 6 months** *(as at 31 March 2026)*

Number of Board Meetings Attended: **5 / 5**

Membership(s) of Board Committees:

ARMC | NRC

Jocelyn Ng Lai Leng brings over 30 years of experience in marketing, business development and management. She graduated with a Bachelor of Arts in General Psychology from the University of Waterloo, Canada, in 1985 and subsequently earned a Master of Arts in Psychology from Duquesne University, USA, in 1986.

She began her career in 1987 as a Psychology and Sociology Lecturer under the American Degree Programme at Rima College. Later that year, she joined the Stamford College Group, where she served as a Psychology and Philosophy Lecturer until September 1988.

From September 1988 to January 1994, she held the positions of Market Research Manager and subsequently Brand Manager at Malaysian Tobacco Company Berhad. In these roles, she was responsible for analysing market trends, consumer behaviour and brand performance, before leading the development and execution of brand strategies across the company's portfolio. In July 1994, she joined Quality Bakers (M) Sdn. Bhd. as Marketing Manager, overseeing marketing initiatives and brand development activities.

In August 1996, she joined JT International as Group Product Manager, where she managed brand portfolios and marketing programmes. She subsequently joined Danone Malaysia in March 2001 as Marketing Manager for the Snacks Division and was later promoted to Marketing Director for Biscuits and Snacks, leading the strategic marketing and growth of the division's product portfolio.

Following a two-year sabbatical to pursue her interests in art and fitness, she returned to Danone Dumex Sdn. Bhd. in January 2007 as Marketing Director before assuming the role of Medical Marketing Director. During her tenure, she led marketing strategies across both the consumer and medical nutrition segments until July 2010.

In November 2010, she joined PepsiCo Malaysia Sdn. Bhd. as Head of Marketing (Foods & Beverages). In March 2012, she additionally assumed the role of Head of Commercial (Foods). She was promoted to General Manager in June 2013, overseeing operations across Malaysia, Singapore, Brunei, Mongolia and the Pacific Islands. In this capacity, she led business growth initiatives, commercial strategies and key distributor partnerships across the region.

In March 2015, she joined UNIQLO Malaysia Sdn. Bhd. as Senior Director of Operations and was promoted to Chief Operating Officer in September 2015. She held the position until 2017, overseeing the company's operational and commercial functions in Malaysia.

She currently operates her own consultancy, providing management and marketing advisory services to businesses. In addition, she serves on the boards of private limited companies including Mesra Retail & Café Sdn. Bhd.

Her directorship with Mesra was effective prior to Mesra becoming a customer of Farm Fresh Milk Sdn. Bhd. Accordingly, she will abstain from any discussion in relation to contracts between the aforementioned companies. She has not been convicted of any offences in the past five (5) years, nor was she subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Board of Directors

NIK FAZILA BINTI NIK MOHAMED SHIHABUDDIN

Independent Non-Executive Director

Malaysian | 60 | Female

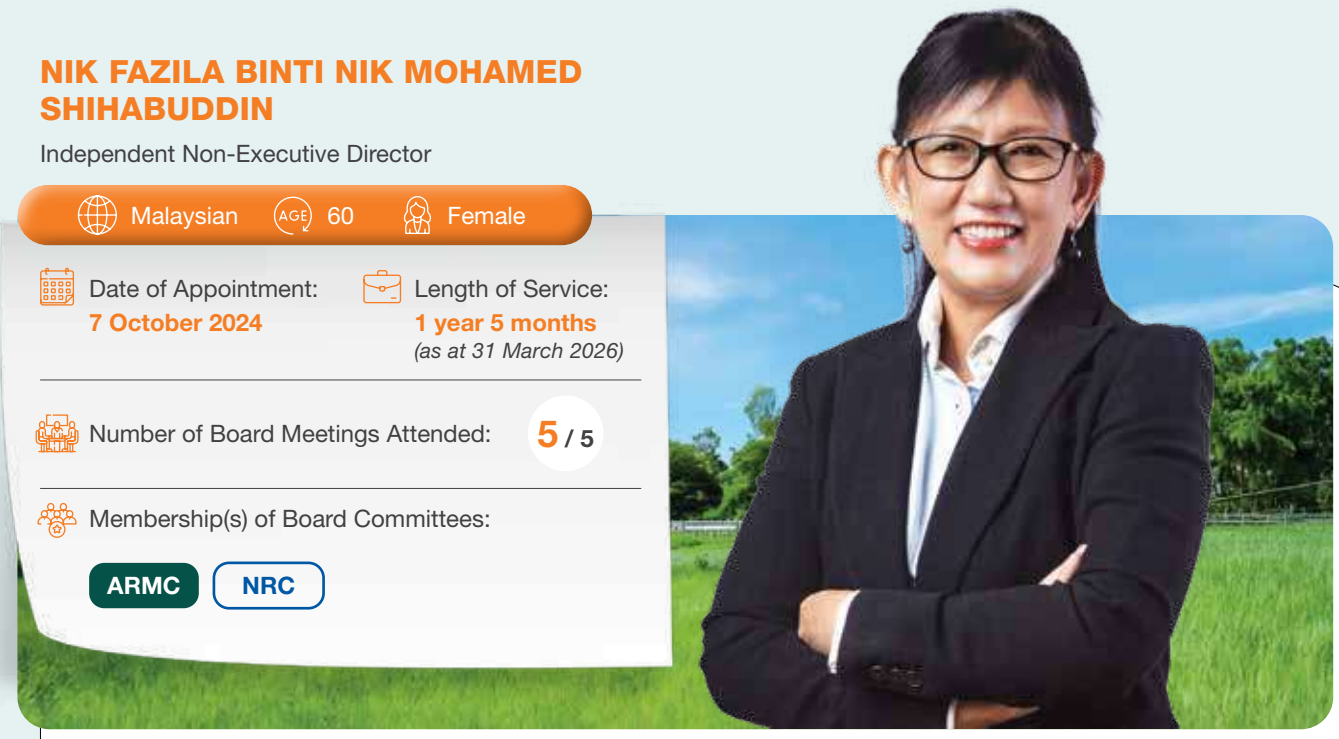
Date of Appointment: **7 October 2024**

Length of Service: **1 year 5 months** *(as at 31 March 2026)*

Number of Board Meetings Attended: **5 / 5**

Membership(s) of Board Committees:

ARMC **NRC**



Nik Fazila Binti Nik Mohamed Shihabuddin brings over 30 years of experience in accounting, finance, business assurance and corporate transactions. She graduated from Flinders University with a Bachelor of Economics (Accounting). She is a Certified Public Accountant of the MICPA, a Chartered Accountant of the MIA and an Associate Member of the Certified Practising Accountant (Australia).

She began her career in 1988 with PricewaterhouseCoopers Malaysia (then Price Waterhouse), where she spent a decade in audit and business advisory services, developing extensive expertise in financial management, corporate governance and business assurance.

In 1998, she joined Sapura Telecommunications Berhad as General Manager of the Corporate Audit Division, a position she held until 2000.

Between 2001 and 2012, she held several senior leadership positions across prominent Malaysian organisations, including Group General Manager (Finance) at KUB Malaysia Berhad, Chief Financial Officer at UDA Holdings Berhad and Chief Financial Officer at Biotropics Malaysia Berhad, a company under Khazanah Nasional Berhad.

In 2012, she joined Chemical Company of Malaysia Berhad as Director of Finance. She subsequently assumed the role of Group Managing Director, serving from 2017 to 2021, where she led the Group's strategic, operational and financial transformation initiatives.

She currently serves as an Independent Non-Executive Director of MBM Resources Berhad, Duopharma Biotech Berhad and Prolintas Infra Business Trust.

She has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. She has not been convicted of any offences in the past five (5) years, nor was she subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Board of Directors

STEPHEN JOHN WATSON HAGGER

Independent Non-Executive Director



British | 62 | Male

Date of Appointment: **9 March 2026**

Length of Service: **Less than 1 month** *(as at 31 March 2026)*

Number of Board Meetings Attended: **N/A**

Membership(s) of Board Committees:

ARMC **NRC**

**Appointed w.e.f. 09/03/2026*

Stephen John Watson Hagger brings over 30 years of leadership experience in the Malaysian capital markets industry. He graduated with a Bachelor of Science in Agriculture (Hons) from the University of Edinburgh, UK, and subsequently obtained a Master of Business Administration (MBA) from Durham University, UK.

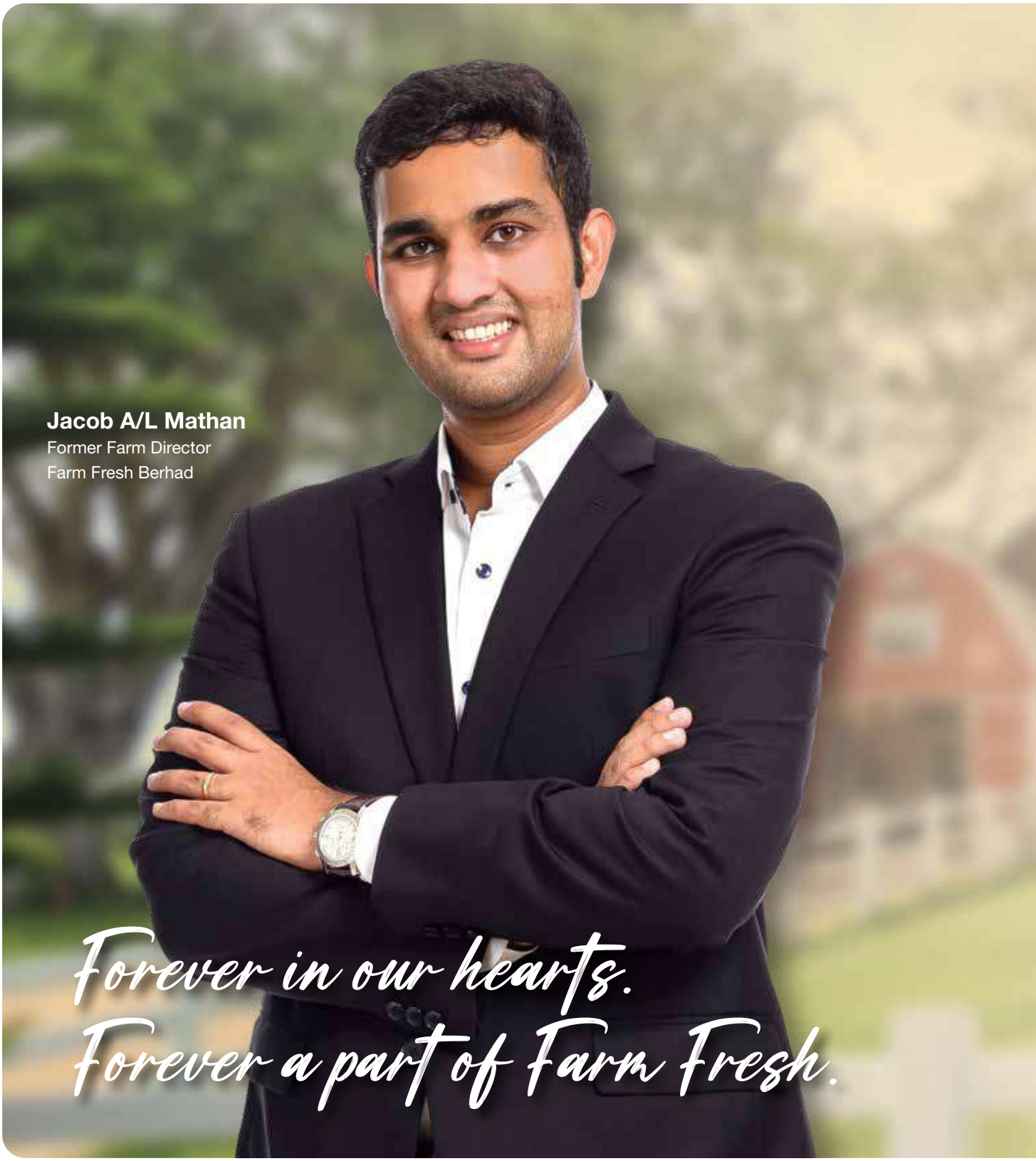
He began his career as an equities analyst at Robert Fleming in London before progressing through a series of senior investment and research leadership roles, including Fund Manager at Hill Samuel Bank, Head of Equity Research at Kim Eng Securities and Managing Director, Country Head and Head of Equity Research at BZW Malaysia.

He spent nearly 25 years with Credit Suisse, where he served as Chief Executive Officer, Managing Director, Malaysian Country Manager and Head of Malaysian Equities. During his tenure, he also held several regional leadership positions, including Head of ASEAN & Pakistan Research, Head of ASEAN Sales and Head of Malaysian Research, playing a key role in strengthening the firm's research and capital markets franchise across the region.

He currently serves as Non-Executive Chairman of CIMB Securities Sdn. Bhd., a subsidiary of CIMB Group Holdings Berhad. He also serves as a Director of Dragon Bay Sdn. Bhd., a family-owned property development company.

He has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Tribute to The Late Jacob A/L Mathan



Tribute to The Late Jacob A/L Mathan

A LEGACY THAT LIVES ON

Jacob's journey with Farm Fresh began as a university intern over 13 years ago. Through his unwavering dedication, humility and leadership, he grew alongside the company to become our Farm Director.

More than a remarkable professional, Jacob was a kind soul whose integrity, compassion and commitment earned the respect and admiration of everyone who had the privilege of working with him. His passion extended beyond his work to the care of our farms, our people and our animals, leaving an enduring legacy that continues to inspire us today.

Jacob is an exemplary individual, who has led with humility, served with integrity and have always put people and principles first.

His contributions helped shape Farm Fresh's dairy farming operations, strengthened relationships with our partners and government agencies, and laid the foundation for the next generation of farm leaders. His legacy will continue to guide us as we carry forward the values he exemplified every day.



His legacy continues in every farm we build, every life we touch, and every future we nurture.

Profile of Key Senior Management

LOI TUAN EE

Group Managing Director & Group Chief Executive Officer



For details on Loi Tuan Ee, refer to his Director profile on page 89.

AZMI BIN ZAINAL

Group Chief Operating Officer



Malaysian | AGE 60 | Male

Date of Appointment: **24 March 2010**

Azmi Bin Zainal completed his secondary education at Sekolah Teknik Tuanku Jaafar, Ampangan, Seremban, Negeri Sembilan, Malaysia, in 1983.

He began his career in 1989 with the Federal Land Development Authority (FELDA) as a Land Planning Officer at Felda Lok Heng Barat, where he oversaw plantation operations and the social welfare of FELDA settlers.

After leaving FELDA in 1997, he established Gemilang Packaging Sdn. Bhd., a company specialising in the trading and supply of industrial packaging products. Between 2006 and 2008, he took a sabbatical to pursue personal interests before joining Nu Moto Sdn. Bhd. in 2008 as a Sales Representative, where he was responsible for the trading and supply of motorcycles to FELDA and Malaysian Army cooperatives.

In 2010, he was appointed Chief Operating Officer of The Holstein Milk Company Sdn. Bhd. In this role, he oversees the Group's operations and sales, while playing an active role in the distribution and marketing of its products. He also serves as a director of several private limited companies.

He has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Key Senior Management

MOHD KHAIRUL BIN MAT HASSAN

Group Chief Financial Officer



Malaysian | 47 | Male

Date of Appointment: **8 June 2020**

Mohd Khairul Bin Mat Hassan graduated with a Bachelor of Commerce from the University of Queensland, Australia, in 2001 and subsequently obtained a Master of Commerce from the University of New South Wales, Australia, in 2002. He has been a member of the Institute of Chartered Accountants in Australia since 2005 and the Malaysian Institute of Accountants since 2016.

He began his career with PricewaterhouseCoopers (Malaysia) as an Associate in 2002, where he progressed to Senior Associate and was involved in assurance, audit and business advisory engagements until 2005. In 2006, he joined PricewaterhouseCoopers Americas (Bermuda) as a Senior Associate before being promoted to Manager, continuing to lead assurance, audit and business advisory assignments.

Upon returning to Malaysia in 2007, he joined UEM World Berhad as a Manager in the Corporate Finance Department, a role he held until 2008. He subsequently joined UEM Sunrise Berhad (formerly UEM Land Holdings Berhad) as Deputy Senior Manager in the Corporate Planning and Business Development Department, serving until the end of 2011. In 2012, he pursued a full-time MBA programme at INSEAD Business School.

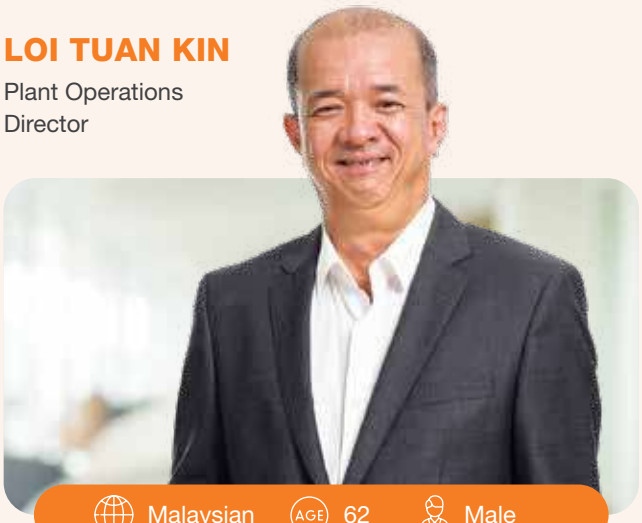
Following the completion of his MBA, he joined A.T. Kearney, Inc. (Malaysia) as a Management Consultant from February 2013 to April 2014. He subsequently joined NUR Power Sdn. Bhd. as Senior General Manager, Finance, and was promoted to Chief Financial Officer of the NUR Power group in May 2014.

In June 2020, he joined our Group as Group Chief Financial Officer, bringing over 17 years of experience in accounting, finance and corporate strategy. He oversees the Group's overall finance function, strategic and corporate finance activities, and general management.

He has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

LOI TUAN KIN

Plant Operations Director



Malaysian | 62 | Male

Date of Appointment: **24 March 2020**

Loi Tuan Kin is one of the co-founders of our Group and brings over 14 years of experience in the dairy industry. He completed his secondary education at Sekolah Menengah Rendah Jalan Tok Perdana, Sitiawan, Perak, Malaysia, in 1981. Between 1982 and 1984, he took a sabbatical to pursue personal interests.

He began his career in 1985 with Century Bond Berhad as a Production Supervisor and was subsequently promoted to Production Manager, where he oversaw plant operations. In 2005, he joined his brother, Loi Tuan Ee, at Rainforest Capital as an Executive Director, focusing on the company's farming operations.

In 2010, he co-founded The Holstein Milk Company Sdn. Bhd. with Loi Tuan Ee and played a key role in establishing the Mawai farm. He currently oversees the operations of both the Mawai farm and the Larkin facility, including the daily transfer of fresh milk from the farm to the processing facility, the conversion of raw materials into finished products, and the coordination of logistics and product distribution across Malaysia and Singapore. He also serves as a director of several private limited companies.

He has no conflict of interest with the Group. He is the brother of both Loi Tuan Ee and Loi Foon Kion. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Key Senior Management

ADAM GRAEME PRETTY

Managing Director of the Australian Business



Australian | AGE 53 | Male

Date of Appointment: **5 October 2017**

Adam Graeme Pretty brings over 29 years of experience in livestock management, having served with Greenham in Victoria, Australia. Before joining our Group in 2017, he founded Dairy Livestock Exports Pty Ltd, an Australian company primarily engaged in exporting dairy cattle to countries including Malaysia, Singapore, Taiwan, the United Arab Emirates (UAE), China and Indonesia.

He currently oversees our Group's farming operations in Australia and is responsible for the day-to-day management of our Australian business.

He has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

EDMUND TAN

Ice Cream Division Director



Malaysian | AGE 42 | Male

Date of Appointment: **1 June 2023**

Edmund Tan graduated with a Bachelor of Commerce from the University of Melbourne in 2004. Upon graduation, he joined Macquarie Capital, where he focused on mergers and acquisitions and capital-raising activities in the natural resources sector. In 2010, he transferred to Macquarie Capital's Southeast Asia Equity Capital Markets team, leading the day-to-day execution of various initial public offerings and capital-raising transactions across the region.

In December 2013, he co-founded Inside Scoop, opening its first outlet in Bangsar and expanding the business to 50 outlets as of July 2024. He is passionate about the ice cream industry and currently leads our Group's expansion into the consumer packaged ice cream segment.

He has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Profile of Key Senior Management

DING CHAI THONG

Group Sales Director



Malaysian | 60 | Male

Date of Appointment: **1 November 2022**

Ding Chai Thong brings over 34 years of sales management and operational experience in the fast-moving consumer goods (FMCG) industry, having worked with several globally recognised brands. He completed his secondary education at Sekolah Menengah Tengku Menteri, Changkat Jering, Perak, Malaysia.

He began his career with Nestlé in 1990 under the Purina PetCare division, where he progressed through a series of increasingly senior roles. In 2004, he was appointed National Sales Manager for Purina PetCare before moving to the Grocery Division.

He subsequently served as National Sales Operation Manager for Modern Trade in 2010 and National Customer Business Manager for the Hypermarket/Supermarket channel in 2019. During this period, he also led the implementation of customer planning and management systems across Malaysia and Singapore in 2010 and 2011.

Throughout his tenure at Nestlé, he held several leadership roles, including serving two terms as Chairman of the Nestlé Management Negotiation Team, where he represented the company in negotiations with the National Union of Commercial Workers. He also participated in numerous international business development programmes covering trade development, confectionery management, customer management best practices, field sales management, marketing and sales excellence, and personal effectiveness.

He was appointed Sales Director of our Group on 1 November 2022 and oversees sales and distribution operations across all retail channels.

He has no conflict of interest with the Group, nor any family relationship with any director, key senior management or major shareholder of the Group. He has not been convicted of any offences in the past five (5) years, nor was he subjected to any public sanctions or penalties by relevant regulatory bodies during FY2026.

Organisation Structure

BOARD OF DIRECTORS

Internal Audit & Risk Management

LOI TUAN EE
Group Managing Director & Group Chief Executive Officer

DING CHAI THONG
Sales Director

- Modern Trade
- General Trade
- Distributors
- HORECA

BRAND MANAGEMENT

- Product Development

AZMI BIN ZAINAL
Group Chief Operating Officer

- Business Development & Micro-Entrepreneur

LOI TUAN KIN
Plant Operations Director

- Muadzam Shah Plant
- Taiping Plant
- Larkin Plant



Organisation Structure



Chairman's Overview on Corporate Governance



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present our governance disclosures for the financial year ended 31 March 2026 (FY2026), my first since assuming the role of Chairman of Farm Fresh Berhad. I do so with a deep sense of responsibility to the Group, our shareholders and stakeholders, and with a clear commitment to upholding the standards of governance that have supported Farm Fresh's growth over the years.

FY2026 was a year of strong financial performance for Farm Fresh, with revenue crossing the RM1 billion mark for the first time. These results reflect not only effective strategic execution but also the importance of sound governance in supporting disciplined expansion. As we continue our growth journey, our governance is underpinned by the values of integrity, ethical conduct, agility and collaboration, all of which shape how we guide strategy and ensure accountability across every level of the Group.

Anchored by these foundations, the Board continued to strengthen the Group's governance framework during the year while maintaining active oversight of the key governance areas that support Farm Fresh's continued growth and operational resilience. Most notably, amendments to the Board Charter and the Terms of Reference of the Nomination and Remuneration Committee (NRC) and the Audit and Risk Management Committee (ARMC) were approved during the year, while a formal Succession Planning Policy and Human Rights Policy were adopted. The Succession Planning Policy strengthens leadership continuity across mission-critical positions, while the Human Rights Policy formalises the Group's approach to identifying, assessing, preventing, mitigating and addressing human rights impacts across our operations and value chain. Through the ARMC, the Board also continued to oversee the integrity of the Group's financial reporting in collaboration with the external auditors, while monitoring the effectiveness of our internal control environment and ensuring that key audit, risk and compliance matters were subject to appropriate review, follow-up and remediation.

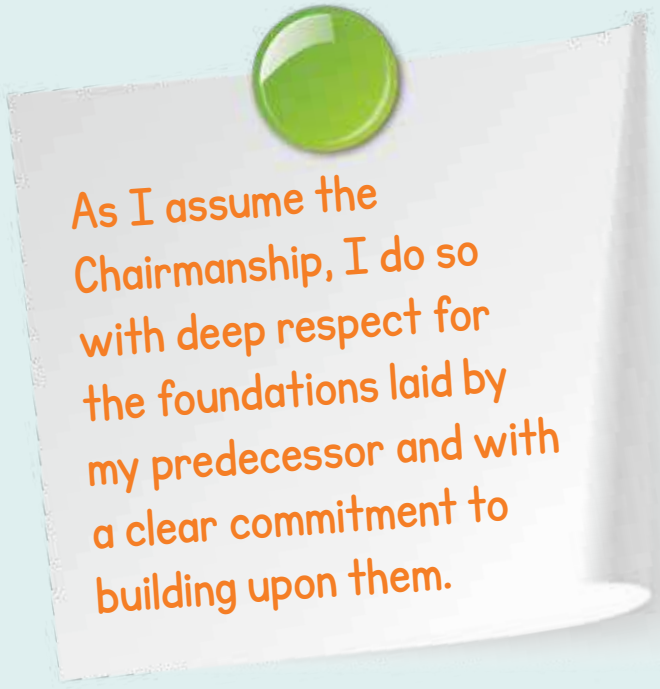
Chairman's Overview on Corporate Governance

In addition to these initiatives, comprehensive assessments were undertaken during the year to identify opportunities to further strengthen the Board's effectiveness and oversight. These identified several areas for continued development, particularly in information technology, digital strategy and cybersecurity, as well as the need to further enhance our approach to sustainability and ESG-related matters. In response, we have committed to strengthening Board training in these areas, undertaking periodic reviews of the Board's skills matrix, and providing more structured sustainability updates to ensure the Board remains well positioned to oversee the Group's evolving priorities.

Assessments were also undertaken from a risk management perspective, highlighting several operational and control matters requiring continued attention. These included food safety and quality control, production controls, warehouse and inventory management, workplace safety, customer complaints, and financial and operational controls within our Philippines operations.

During FY2026, the Board also underwent changes with the passing of Tan Sri Dato' Seri Haji Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas and the resignation of Effizal Faiz bin Zulkifly. We then welcomed Stephen John Watson Hagger as an Independent Non-Executive Director. He brings with him extensive experience within the financial services industry, further strengthening the diversity of expertise represented on the Board. The composition of the ARMC and NRC was also refreshed to support effective oversight as the Group continues to grow.

Before I conclude, I would like to honour our former Chairman, Tan Sri Dato' Seri Haji Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas, during the year. His leadership, wisdom and steadfast commitment made a lasting contribution to Farm Fresh and helped shape the governance foundations that continue to guide the Group today. On behalf of the Board, I record our sincere appreciation for his dedicated service and once again extend our heartfelt condolences to his family and loved ones. While his passing was deeply felt across the organisation, his legacy continues through the strong governance culture and values he helped instil.



As I assume the Chairmanship, I do so with deep respect for the foundations laid by my predecessor and with a clear commitment to building upon them. The Group is entering an important phase of its journey as we continue to expand across new product categories and regional markets, bringing with it greater operational scale and complexity. This only heightens the importance of strong, purposeful governance to ensure that our growth remains disciplined, responsible and sustainable. I look forward to working closely with my fellow Directors and Management to continue strengthening the governance foundations that support Farm Fresh's long-term success. Together, I am confident that our shared commitment to integrity, accountability and sound governance will continue to support the Group's progress and create lasting value for all our stakeholders.

Dato' Dr. Quaza Nizamuddin bin A. Hassan Nizam
Chairman

Corporate Governance Overview Statement

The Board recognises that Farm Fresh's continued growth brings with it greater responsibility to uphold strong and effective governance. During FY2026, the Group continued to expand across new product categories and regional markets, further increasing the scale and complexity of our operations. Against this backdrop, the Board remained focused on ensuring that our governance framework evolves in tandem with the business, supporting disciplined decision-making and long-term value creation.

Concurrently, the Group continues to operate within an increasingly complex regulatory and stakeholder landscape, particularly in relation to governance, sustainability and ESG-related expectations. With these considerations in mind, the Board undertook a range of enhancements during the year across four principal areas: financial reporting oversight, risk management and internal control, Board effectiveness and succession, and policy framework enhancement.

This Corporate Governance Overview Statement, which has been prepared in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements and is aligned with the principles of the Malaysian Code on Corporate Governance (MCCG) 2021, outlines these advancements and demonstrates how our governance practices continue to evolve in step with the Group's growth and strategic objectives.



BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is responsible for providing leadership and oversight in shaping the Group's strategic priorities, safeguarding its long-term interests and supporting sustainable value creation. Its decision-making is anchored by a clearly defined governance framework, as outlined below, which promotes ethical conduct, responsible stewardship and alignment with the Group's values and commitments.

The Group had implemented principles and practices of the MCCG 2021, except for the departures of the following practices:

Practice 8.2
Top five senior management's remuneration disclosure

Practice 13.3
Voting accessibility through a combination of physical and virtual.

Explanation of these departures are further elaborately in the Corporate Governance (CG) Report.

In addition, the Group has also voluntarily adopted the following Step-Up practices:

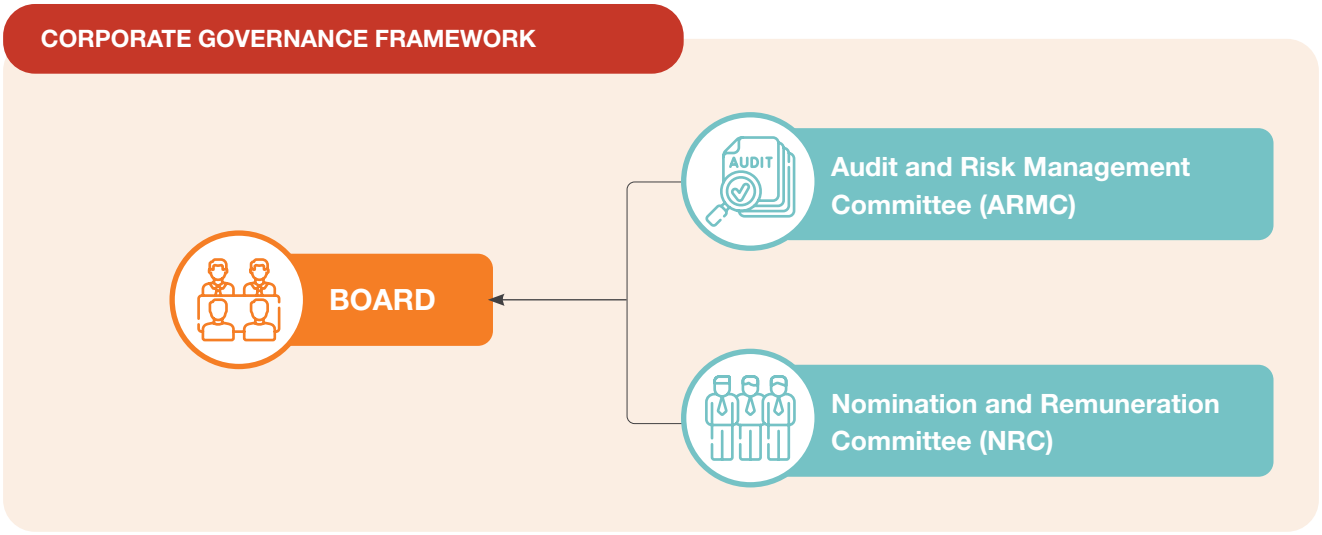
Practice 4.5 - Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Practice 10.3- Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Explanations on the Step Up practices are further elaborated in the CG Report.

Corporate Governance Overview Statement



The separation of the Chairman's role from that of the Group Managing Director and Group Chief Executive Officer provides a clear distinction between Board leadership and executive management. This division supports effective oversight, strengthens accountability and upholds sound governance practices, as set out in the Board Charter, which is available at www.farmfresh.com.my/investor-relations/.

To support informed decision-making, Directors are provided with full and unrestricted access to relevant information, the guidance of the Company Secretary and the support of Senior Management in carrying out their fiduciary responsibilities. Board and Board Committee meetings are convened quarterly, and additionally when necessary, with meeting materials circulated ahead of each meeting to facilitate proper review and meaningful deliberation.

The Board is further guided by the following Group-wide governance policies that provide structure and consistency across the Group's governance practices.

- The Board Charter
- Terms of Reference of the ARMC and NRC
- Anti-Bribery and Anti-Corruption Policy
- Code of Conduct and Business Ethics
- Conflict of Interest Policy
- Whistle Blowing Policy
- Non-Assurance Services Pre-approval Policy
- Succession Planning Policy
- Human Rights Policy

During the year, the Board enhanced several Group-wide policies, frameworks, and procedures which reinforced the Group's governance framework and further aligned Board and Management oversight with evolving regulatory expectations, stakeholder priorities and the Group's long-term growth agenda. This included the adoption of the Succession Planning Policy and Human Rights Policy, and the review and approval of the Non-Assurance Services Pre-approval Policy.

The adoption of the Succession Planning Policy marked an important step in strengthening the Group's approach to leadership continuity. The policy provides a more structured basis for identifying and planning for succession in mission-critical roles, including the Group Managing Director and Group Chief Executive Officer and senior management positions.

The Board also adopted a Human Rights Policy during FY2026, formalising the Group's zero-tolerance approach towards any form of human rights abuse. The policy provides a framework for identifying, assessing, preventing, mitigating and addressing actual and potential human rights impacts across the Group's business operations and value chain.

All Group-wide policies, which are available for download at www.farmfresh.com.my/investor-relations, are periodically reviewed to ensure relevance and effectiveness in supporting ethical corporate conduct.

Corporate Governance Overview Statement

BOARD COMPOSITION

During FY2026, the Board experienced changes in composition following the passing of Tan Sri Dato' Seri Haji Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas and the resignation of Effizal Faiz bin Zulkifly. The Board size was consequently reduced from seven members to five members during the fourth quarter of the financial year.

To strengthen the Board's composition and preserve a suitable balance of skills and independence, the NRC recommended, and the Board approved, the appointment of Stephen John Watson Hagger as an Independent Non-Executive Director (INED) with effect from 9 March 2026. The Board also approved the redesignation of Dato' Dr. Quaza Nizamuddin bin A. Hassan Nizam from Independent Non-Executive Director to Independent Non-Executive Chairman, effective on the same date.

As at the end of FY2026, the Board thus comprises six members, including four INEDs. None of the Directors have previously served as key audit partners for the Group's External Auditors.

Two principal Committees support the Board: the ARMC and the NRC. Each is chaired by an INED who is not the Chairman of the Board. The responsibilities and authority of these Committees are defined in their respective Terms of Reference, available at www.farmfresh.com.my/investor-relations.

The ARMC reports significant matters it has deliberated to the Board, which remains ultimately responsible for overseeing risk management, internal controls and the effective functioning of all Board Committees. Under the Board's oversight, the NRC has established a comprehensive set of evaluation criteria for all Directors, including Independent Directors. These criteria guide the Board's annual assessments and are reviewed regularly to ensure their continued relevance.

During the year, revisions to the Board Charter and Board Committee Terms of Reference were undertaken to ensure that the roles and responsibilities of the Board, ARMC and NRC remained current, clear and aligned with the Group's operating environment and governance expectations.

The revisions to the NRC's Terms of Reference clarified its responsibilities in relation to nomination matters, remuneration matters and the evaluation of senior management. This includes the role of the Group Managing Director and Group Chief Executive Officer in assessing senior management performance and remuneration within an appropriate governance framework. The ARMC's Terms of Reference was also reviewed to ensure continued alignment with its oversight responsibilities over financial reporting, external audit, internal audit, risk management and internal controls.

The composition of the ARMC and NRC was also refreshed during the year. The ARMC continued to be chaired by Nik Fazila binti Nik Mohamed Shihabuddin, with Jocelyn Ng Lai Leng and Stephen John Watson Hagger as members. The NRC was reconstituted with Stephen John Watson Hagger as Chairman and Jocelyn Ng Lai Leng, Loi Foon Kion and Nik Fazila binti Nik Mohamed Shihabuddin as members.

ASSESSMENT OF THE BOARD'S PERFORMANCE

The Board Committees and each Director are subject to an annual review to assess their effectiveness. The NRC reviewed the annual assessment results and concluded that the Board had the right size, balance and composition to operate effectively. The Directors have also discharged their responsibilities in a commendable manner, acted competently, contributed effectively, and demonstrated full commitment to their duties.

The NRC also concluded that the performance of the NRC and ARMC was effective, and that the Board had a dynamic and balanced mix of skills and experience to contribute effectively to the Board's decision-making process.

1. Assessment of Independence of INEDs

The NRC undertakes an annual review of each INED's independence, considering not only professional qualifications but also their ability to provide objective judgment free from conflicts of interest.

All INEDs have affirmed their independence and were confirmed by the NRC as having met the applicable independence criteria under the Listing Requirements. The NRC also noted that the Independent Directors continued to demonstrate independence through their active participation in Board deliberations, objective challenge of Management where appropriate, and the exercise of independent judgement in decision-making.

2. Review of Effectiveness of Directors, Board and Board Committees

The NRC has evaluated the competencies and contributions of each Director, the Group Chief

Corporate Governance Overview Statement

Financial Officer, as well as the overall effectiveness of the Board and its Committees.

The assessments confirmed that all members have fulfilled their duties effectively and constructively, and that the Directors and Group Chief Financial Officer possessed the desired character, experience, integrity, competence and time commitment. Nevertheless, the process highlighted opportunities for further enhancement, particularly in the areas of information technology, digital strategy and cybersecurity. ESG and sustainability matters were also identified as areas that would benefit from continued emphasis and more regular updates to the Board. In response, the Board and NRC considered the need for ongoing Director training, periodic reassessment of the Board skills matrix and a more structured approach to sustainability reporting and updates, with the aim of further strengthening the Board's collective effectiveness.

3. Review of ARMC, External Auditors and Internal Auditors

The NRC conducts annual reviews of the independence, composition, skills and expertise of the ARMC, as well as the objectivity, professionalism and resource capacity of the Group's external and internal auditors.

The NRC was satisfied that the ARMC and its members had discharged their responsibilities effectively in accordance with its Terms of Reference. The ARMC also reviewed the performance, effectiveness and independence of the External Auditors, taking into consideration their written confirmation of independence, and recommended their re-appointment to the Board. In addition, the ARMC reviewed the effectiveness of the Internal Audit function and was satisfied that it had discharged its responsibilities effectively in supporting the Group's governance, risk management and internal control framework. The ARMC also commended the Internal Audit team for the thoroughness of its reviews and its diligent follow-up of internal control matters, recognising its important role in strengthening the Group's overall control environment.

4. Review of Directors' Remuneration

The NRC reviewed and recommended the payment of Directors' fees of up to RM550,000 per annum and Directors' benefits of up to RM80,000 per annum for the Non-Executive Chairman and Non-Executive Directors, for the period up to the next Annual General Meeting (AGM), subject to shareholders' approval.

Following the Board refresh in FY2026, the NRC also reviewed and recommended the remuneration packages for the Independent Non-Executive Chairman and the new Independent Non-Executive Director. Based on the NRC's recommendation, the Board approved an annual Director's fee of RM150,000 and a Board meeting allowance of RM1,500 per meeting for the Independent Non-Executive Chairman. For the new Independent Non-Executive Director, the Board approved an annual Director's fee of RM100,000, a Board meeting allowance of RM1,000 per meeting, an NRC Chairman meeting allowance of RM1,500 per meeting and an ARMC member meeting allowance of RM1,000 per meeting.

5. Rotation and Re-election of Directors

In accordance with the Company's Constitution, one-third of the Directors are subject to retirement and eligible for re-election at each AGM.

At the 14th AGM, Loi Foon Kion and Jocelyn Ng Lai Leng stood for re-election pursuant to Clause 76(3) of the Company's Constitution, while Nik Fazila binti Nik Mohamed Shihabuddin will stand for re-election pursuant to Clause 78 of the Company's Constitution. The NRC, save for the relevant interested Directors who abstained from deliberation, recommended their re-election to the Board for shareholders' approval.

At the upcoming 15th AGM, two Directors, Loi Tuan Ee and Dato' Dr. Quaza Nizamuddin bin A. Hassan Nizam are standing for re-election and have expressed their intention to seek re-election while Stephen John Watson Hagger will stand for re-election pursuant to Clause 78 of the Company's Constitution. The Board has carefully assessed the suitability, effectiveness and attendance of the two Directors at Board and Board Committee meetings during the year under review. The assessment also considered other factors such as their directorships on other public listed and public companies and the potential for any conflicts of interest with the Group. Based on these considerations, the Board recommends their re-election to be approved by shareholders at the forthcoming 15th AGM.

Corporate Governance Overview Statement

BOARD ACTIVITIES, MEETINGS, AND MINUTES

Board and Board Committee meetings are conducted in accordance with structured agendas to ensure that adequate time is allocated for the review, discussion and deliberation of key matters. Each meeting is led by the respective Chairperson, while the Company Secretary records the proceedings in detailed minutes. The draft minutes are then circulated to members for review before being tabled for confirmation at the next meeting.

All Directors are required to attend at least 50% of the meetings held during the financial year.

Name of Director	Financial Year Ended 31/03/2026					Number of Meetings Attended
	BODM 28/05/2025	BODM 24/07/2025	BODM 27/08/2025	BODM 26/11/2025	BODM 25/02/2026	
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas	-	/	-	/	N/A	2/4 (Deceased 13/12/2025)
Loi Tuan Ee	/	/	/	/	/	5/5
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	/	/	/	/	/	5/5
Jocelyn Ng Lai Leng	/	/	/	/	/	5/5
Loi Foon Kion	/	/	/	/	/	5/5
Nik Fazila Binti Nik Mohamed Shihabuddin	/	/	/	/	/	5/5
Effizal Faiz Bin Zulkifly	/	/	/	N/A	N/A	3/3 (Resigned w.e.f. 17/10/2025)
Stephen John Watson Hagger	N/A	N/A	N/A	N/A	N/A	N/A (Appointed w.e.f. 09/03/2026)

BODM – Board of Directors Meeting

Corporate Governance Overview Statement

DIRECTORS' TRAINING

All Directors have fulfilled the Mandatory Accreditation Programme (MAP) requirement prescribed by Bursa Malaysia. Beyond this, each Director is expected to take ownership of his or her ongoing professional development by attending relevant training programmes and keeping abreast of changes in the regulatory, business and industry landscape.

The Board also keeps under review suitable training opportunities made available by Bursa Malaysia and other established training providers. Directors are further kept informed of updates to statutory and regulatory requirements to support the effective discharge of their duties.

During FY2026, the Directors attended various programmes, workshops and seminars designed to broaden their knowledge, enhance their competencies and strengthen their overall effectiveness, as set out below.

Director's Name	Training	Date of Event
Tan Sri Dato' Seri Haji Megat Najmuddin Bin Datuk Seri Dr Haji Megat Khas	No training was attended due to health reasons - passed away on 13 December 2025	N/A
Loi Tuan Ee	ThaiFex	May 2025
	JS SEZ Forum	June 2025
	Harvard Business Course	August 2025
	GrowMatch Security Commission	September 2025
	KWAP Investment Workshop	October 2025
	Shanghai HOTELEX expo	2026
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	Bengkel Jawatankuasa Kerja Teras Strategik 5: Program Perdana DBN 2.0	17 June 2025
	Research Report Writing Workshop for the Project Titled "A Feasibility Study on Cultured Meat Production in Malaysia"	4-5 August 2025
	2025 Biomanufacturing Conference: "Seizing the Biomanufacturing Opportunity: Demonstrating Scale-Up in Cultivated Foods"	9 September 2025
	Malaysian Veterinary Medical Association Conference	27-28 September 2025
	Khazanah Megatrends Forum 2025	6-7 October 2025
	Institute of Corporate Directors Malaysia (ICDM): "Navigating the transition from INED to Chair"	21 October 2025
	ICDM AC Dialogue and Networking Session: "From Findings to Action: Strengthening Audit Committees Oversight over Auditors and the Audit Process"	23 October 2025
	Malaysian Palm Oil Board (MPOB) International International Palm Oil Congress and Exhibition (PIPOC 2025)	18-20 November 2025
	International Conference of Veterinary Science (ICVS 2025) IMPACT Forum	24-25 November 2025
	Act for Farmed Animals (AFFA) Indonesia: "The White Paper Launch 2025: Global Transition Towards Acceptable Business Models – Cage-Free Eggs"	10-12 December 2025

Corporate Governance Overview Statement

Director's Name	Training	Date of Event
Jocelyn Ng Lai Leng	Boyden World Corporation: "How to Build a Successful Board Career"	15 May 2025
	Bursa Malaysia: "The Journey into the AI Age: Game Changer for Your Digital Transformation Era"	17 June 2025
	ICDM: "National AI Office (NAIO) AI Advisory Working Group: AI Playbook for Directors Validation Discussion"	4 July 2025
	ICDM Board Nomination and Remuneration Committees (BNRC) Dialogue & Aspiring Directors Immersion Programme (ADIP) Graduation Ceremony: "Future-Ready Boards: Implementing Strategies with a Skills Matrix"	8 July 2025
	MBS Academy: "Generative AI: Misconceptions, Expectations, and Reality"	31 July 2025
	ICDM PowerTalk: "Boardroom Blindspots: How Our Perceptions of Risk Influence Our Boardroom Effectiveness"	3 September 2025
	Khazanah Megatrends Forum 2025	6-7 October 2025
	ICDM: "AI at the Helm: How Directors Can Govern the Future"	30 October 2025
	MBS Academy: "AI Governance, Misconceptions, Expectations, and Reality"	18 December 2025
	Robertsbridge: "Facing Uncertainty: Lessons learned in Sustainability from Leaders Around the World"	28 January 2026
Loi Foon Kion	Dairy Foods Webinar: "Dairy Innovations Unveiled: Navigating the Hottest Trends in Product Development"	24 June 2025
	ICDM BNRC Dialogue: "Future-Ready Boards: Implementing Strategies with Skills Matrix"	8 July 2025
	ICDM PowerTalk "Leading for Longevity: The Board's Role in Driving Innovation"	10 July 2025
	Maybank Private Wealth Forum 2H2025 "Turning Market Shifts Into Opportunity"	12 August 2025
	ICDM PowerTalk "Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness"	3 September 2025
	Khazanah Megatrends Forum 2025	6-7 October 2025
	Food Safety Webinar: "Feeding The Future: How Lessons From 2025 Will Shape 2026"	13 November 2025
	Dairy Foods Webinar: "2025 State of the Dairy Industry"	19 November 2025
	Food Safety Webinar: "New U.S. Additive Bans: How to Prepare and Protect Your Brand"	21 November 2025
	ICDM PowerTalk: "From Curiosity to Control: Board Intelligence in the Age of AI"	27 February 2026

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Director's Name	Training	Date of Event
Nik Fazila Binti Nik Mohamed Shihabuddin	Enhancing Board Performance: Key Considerations	4 June 2025
	Bursa Malaysia: "The Journey into the AI Age: Game Changer for Your Digital Transformation Era"	17 June 2025
	ESG: Risks & Opportunities	18 June 2025
	AI and Digital Health and How It Is Impacting the Pharma Industry	21 July 2025
	Bursa Malaysia and ICDM: "Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level"	28 July 2025
	Anti Corruption and The National Anti-Corruption Strategy (NACS)	25 August 2025
	Malaysia's Pharmaceutical Regulatory Landscape (Past, Present & Future)	4 September 2025
	Deloitte: "The Audit Committee Chair of the Future"	10 September 2025
	Khazanah Megatrends Forum 2025	6-7 October 2025
	ICDM: "Integrity Insights for Directors: Tackling CBT, Conflict of Interest, RPT and Corruption"	9 October 2025
	Permodalan Nasional Berhad (PNB): "Fireside Chat with PNB Investee Companies' Boards of Directors"	20 November 2025
	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees	25 November 2025
	MBM Resources Leadership Summit 2025	2 December 2025
	ICDM: "Trust on Trial: Fiduciary Duties in the Modern Boardroom"	17 December 2025
	Cybersecurity Awareness Training	18 December 2025
	Harnessing AI in Pharma: Opportunities, Risks & Board Oversight in a Digital Era	20 January 2026
	Medico-Legal risks of AI in the pharmaceutical industry	11 February 2026
	KPMG: "Global Economics & Geopolitical Outlook"	31 March 2026
Stephen John Watson Hagger	Mandatory Accreditation Programme (MAP) Part I	12-13 May 2026

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REMUNERATION

The Group's remuneration approach is designed to support the attraction, retention and motivation of Directors and Senior Management through remuneration packages that are competitive and commensurate with their roles. These packages generally comprise salary, allowances, bonuses and other benefits-in-kind, where applicable. For Non-Executive Directors, remuneration is determined with reference to their experience, responsibilities and expected level of contribution to the Board and Board Committees.

The Company is guided by its Directors and Senior Management Remuneration Policy, which sets out the criteria for recommending remuneration packages. These include individual performance, market benchmarks and the scope of duties and responsibilities undertaken. Directors do not participate in deliberations or voting on matters relating to their own remuneration.

DIRECTORS' REMUNERATION FOR FY2026

Name/Designation	Director's Fee (RM)	Basic Salary (RM)	Allowance (RM)	Other* (RM)
Tan Sri Dato' Seri Haji Megat Najmuddin bin Datuk Seri Dr. Haji Megat Khas *Independent Non-Executive Chairman (deceased 13 December 2025)*	105,616	–	–	–
Dato' Dr. Quaza Nizamuddin bin A. Hassan Nizam *Independent Non-Executive Chairman (appointed 9 March 2026)*	100,000	–	15,500	–
Loi Tuan Ee *Non-Independent Executive Director*	–	1,190,000	245,760	48,820
Loi Foon Kion *Non-Independent Non-Executive Director*	100,000	–	7,000	–
Jocelyn Ng Lai Leng *Independent Non-Executive Director*	100,000	–	12,000	–
Nik Fazila binti Nik Mohamed Shihabuddin *Independent Non-Executive Director*	100,000	–	14,500	–
Effizal Faiz bin Zulkifly *Independent Non-Executive Director (resigned 17 October 2025)*	–	–	–	–
Stephen John Watson Hagger *Independent Non-Executive Director (appointed 9 March 2026)*	–	–	–	–
Total	505,616	1,190,000	294,760	48,820

* *Includes payments to Malaysia's Employees' Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance System (EIS).*

SENIOR MANAGEMENT REMUNERATION FOR FY2026

Information on the remuneration of the Group's key Senior Management for FY2026 is disclosed in the Company's Corporate Governance Report, which is available at www.farmfresh.com.my/investor-relations. In accordance with the latest amendments to the Listing Requirements of Bursa Securities, the detailed remuneration of the Group CEO has also been set out in the Corporate Governance Report in line with the Listing Requirements.

Corporate Governance Overview Statement

The Board remains committed to transparent reporting to stakeholders. However, it is of the view that disclosing the individual remuneration of the Group's top five Senior Management personnel would involve commercially sensitive information. Given the competitive talent market, such disclosure may not be in the best interests of the Group as it could affect the Group's ability to retain key personnel.

As an alternative to the prescribed MCCG practice, the Group discloses the aggregate remuneration of its top five Senior Management personnel for FY2026, amounting to RM4,700,000, in bands of RM50,000 as presented below.

RM'000	700–750	1,050–1,100	1,200–1,250	1,350–1,400
Top 5 Key Senior Management	1	2	1	1



EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC is chaired by an INED who is distinct from the Chairman of the Board. The Committee is composed entirely of independent directors, in line with Step-Up Practice 9.4 of the MCCG.

In accordance with the applicable requirements, at least one member of the ARMC must be a member of the Malaysian Institute of Accountants (MIA), have at least three years' working experience and have passed the examinations prescribed under Part I of the First Schedule of the Accountants Act 1967, or be a member of one of the recognised associations of accountants set out in Part II of the same Schedule. At least one member must also fulfill such other criteria as may be prescribed or approved by Bursa Malaysia.

All ARMC members are financially literate and possess substantial corporate experience, together with sound commercial judgement and business acumen. This enables the Committee to carry out its oversight duties effectively.

The ARMC's scope of oversight includes the review of:

- Risk management and internal control
- Internal and external audits
- Audit reports
- Financial reporting
- Related party transactions and conflict of interest
- Employees' Share Option Scheme (ESOS) allocations
- Whistle-blowing matters

A detailed account of the ARMC's membership and activities for FY2026 is provided in the Audit and Risk Management Committee Report at at pages 122 to 124 of this Integrated Annual Report. Profiles of the ARMC members can be found at www.farmfresh.com.my/investor-relations.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board retains ultimate responsibility for maintaining a robust risk management and internal control framework across the Group. This framework is reviewed on an ongoing basis to ensure that it remains relevant, adequate and effective in safeguarding the interests of the Group and its shareholders.

The ARMC supports the Board by overseeing key risk areas and assessing their potential implications for the Group. Where appropriate, the ARMC recommends management actions to address identified risks, while significant risk matters are escalated to the Board for further consideration and decision-making.

Further information on the Group's risk management and internal controls can be found in the Statement on Risk Management and Internal Control at pages 115 to 121 of this Integrated Annual Report.

Corporate Governance Overview Statement

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Board is committed to maintaining open, transparent and accountable communication with stakeholders. The Group uses various communication channels to provide timely and relevant updates on its operations, financial performance and material developments. These include the Integrated Annual Report, announcements made to Bursa Malaysia and information published on the Company's corporate website.

During the reporting period, the Company maintained active engagement with the investment community through 17 one-on-one and group meetings, as set out on page 74 of this Integrated Annual Report. These engagements enabled the Company to respond to stakeholder queries, obtain feedback and better understand investor perspectives in support of the Group's long-term value creation efforts.

The Group Managing Director and Group Chief Executive Officer and the Group Chief Financial Officer are the designated spokespersons responsible for communicating material information to shareholders and other stakeholders.

The Group's financial statements are prepared in accordance with the Companies Act 2016, Bursa Malaysia's Listing Requirements and the applicable approved accounting standards in Malaysia. The ARMC reviews the Group's quarterly results and annual audited financial statements to assess their accuracy, adequacy and completeness before recommending them to the Board for approval.

Further information on the Group's engagement activities with key stakeholders and matters raised is provided in the Stakeholder Engagement section at pages 48 to 51 of this Integrated Annual Report.

CONDUCT OF GENERAL MEETINGS

The Company provides shareholders with notices of general meetings at least 28 days in advance of the meeting date. This is consistent with Practice 13.1 of the MCCG 2021, which recommends that shareholders be given no less than 28 days' notice.

General meetings provide a formal avenue for shareholders to engage with the Board and Management, express their views and seek clarification on the Group's financial performance, business operations, governance practices, and other relevant matters. Directors, Senior Management and the External Auditors are present at these meetings to address questions and provide the necessary explanations. In accordance with Paragraph 8.29A of Bursa Malaysia's Listing Requirements, all resolutions proposed at general meetings are decided by poll. An independent scrutineer is appointed to verify the poll results.

The results of general meetings, including the poll voting outcomes, are announced to Bursa Malaysia on the same day via www.bursamalaysia.com/market_information/announcements/company_announcement and are also made available on the Company's website at www.farmfresh.com.my/investor-relations. The Company also publishes summaries of the key matters discussed at general meetings on its website at www.farmfresh.com.my/investor-relations.

This Corporate Governance Overview Statement was approved by the Board on 23 July 2026.

Statement on Risk Management and Internal Controls

The Board of Directors is pleased to present the Statement on Risk Management and Internal Control of Farm Fresh Berhad for the financial year ended 31 March 2026. This statement has been prepared in accordance with Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Malaysian Code on Corporate Governance 2021, and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies 2025. This statement outlines the nature and scope of the Group's risk management and internal control during the financial year under review.

BOARD'S RESPONSIBILITIES

The Board affirms its commitment and overall responsibility and oversight of the system of risk management and internal control of Farm Fresh Berhad and its subsidiaries (the Group) encompassing financial, operational, compliance and sustainability dimensions to safeguard the Group's assets and stakeholders' interest.

The Board confirms that there is continuous effort to enhance the Group's overall risk management and internal control processes by pursuing various initiatives that involve the Group. The Board is supported by the Audit and Risk Management Committee (ARMC) which reviews and monitors the Group's risk exposures and the design and operating effectiveness of the underlying risk management and internal controls systems by periodically reviewing the following:

- The principal business risks and control measures to mitigate or reduce such risks;
- The strengths and weaknesses of the overall internal controls system and action plans to address the risk of weaknesses or to improve the assessment process;
- The audit review outcomes of internal processes and operations reported by the Internal Audit Department, including action plans to address identified control weaknesses, the monitoring of implementation of its recommendations and status updates; and
- The reports by the External Auditors of any control issues identified during their work.

The ARMC reports to the Board on significant issues that it has deliberated and addressed. The Board remains responsible for the governance of risk management and internal control, and for the actions of all Board Committees with respect to the execution of its delegated oversight responsibilities. In FY2026, the ARMC placed greater emphasis on monitoring geopolitical risks following the increasing uncertainties arising from global conflicts and geopolitical tensions, which may potentially impact on the Group's operations, supply chain continuity, and overall business environment. During the financial year, the Board did not introduce any amendments to the existing risk appetite and Key Risk Indicators (KRIs), as the current framework remained appropriate and relevant to support the Group's risk management objectives.

The risk management framework is designed to mitigate risk or events with significant adverse impact on the achievement of the Group's objectives and strategies. As such, it provides reasonable, but not absolute assurance against significant impacts, material financial misstatements, management information and records, or against financial losses or fraud. Nonetheless, all efforts have been taken to provide reasonable assurance that significant risks which impact the Group's strategies and objectives are within levels appropriate to the Group's business.

Statement on Risk Management and Internal Controls

MANAGEMENT'S RESPONSIBILITY

Management is accountable to the Board and is responsible for effective implementation of risk management and control mechanisms, including:

- providing executive leadership in the management of risk within their work responsibilities
- identifying and evaluating risks faced by the Group
- formulating and implementing internal control and risk management actions and mechanisms
- implementing remedial actions in response to significant risks, and to address compliance and control issues
- the overall achievement of business objectives and strategies

Management is committed to a sound system of internal control, which will continue to be reviewed, updated, and improved upon in line with changes in the operating environment. In FY2026, Management integrated geopolitical risks into the ERM framework and implemented Business Continuity Management (BCM) under ISO22301 throughout all factories, farms and key functions. Key to this is to identify significant threats and opportunities, evaluate the risk profile and drive mitigation strategies on a regular basis in the course of business. All heads of departments, managers and senior executives are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business and decision-making processes.

RISK MANAGEMENT

The Board has put in place an Enterprise Risk Management (ERM) framework, in accordance with the Malaysian Code on Corporate Governance, to ensure that there is a process of identifying, evaluating, and managing significant business risk exposure. The Group's ERM framework aims to implement relevant controls to manage the principal risks of the business.

Integrated Enterprise Risk Management Framework

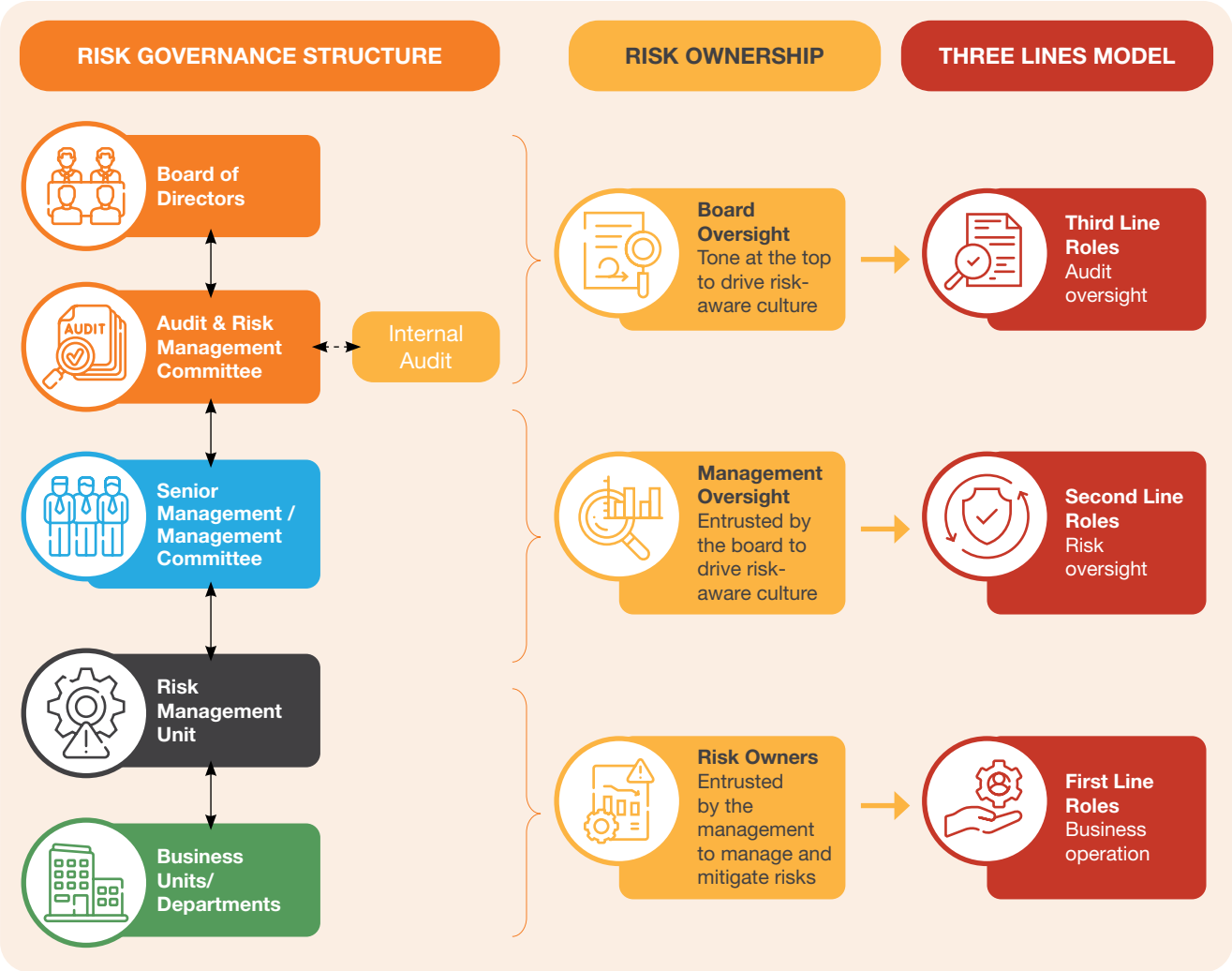


The Group's Risk Management Framework establishes a structured and systematic approach to identifying, assessing, managing, monitoring, and reporting risks across the organisation. The framework is aligned with the principles and guidelines of ISO 31000:2018 and is designed to support strategic objectives, operational efficiency, regulatory compliance, and sustainable business growth.

The framework integrates risk management into key business processes and decision-making activities to ensure that risks are managed proactively and consistently throughout the Group. The six core components of the framework are interconnected to strengthen governance, improve resilience, and enhance the Group's ability to respond effectively to emerging risks and opportunities.

Statement on Risk Management and Internal Controls

Three Lines Governance and Risk Oversight Structure

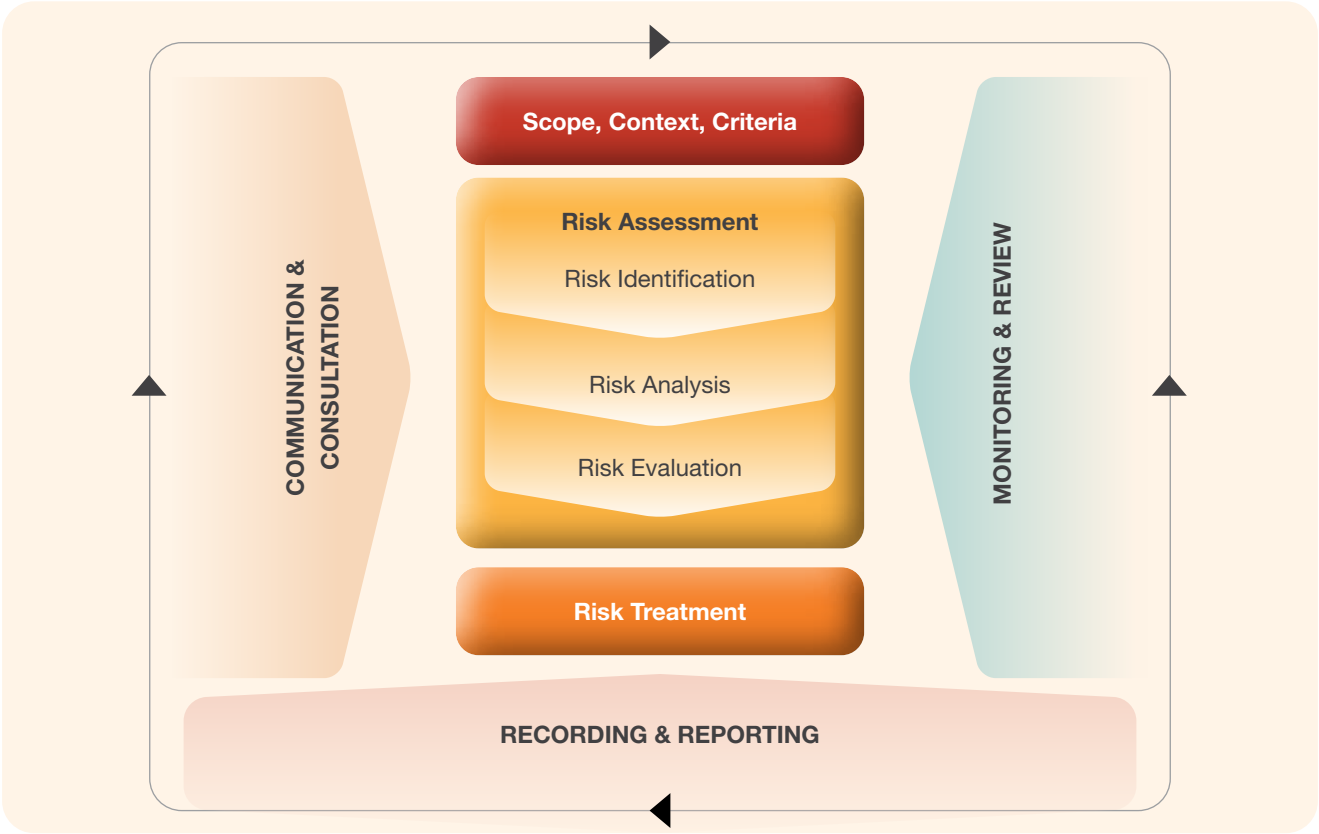


The Group's Risk Management Governance Structure establishes clear accountability, authority, and reporting responsibilities to ensure effective management and oversight of risks across the organisation. The governance structure supports a comprehensive and coordinated approach to risk management through risk ownership, oversight, internal control, and independent assurance mechanisms.

The governance model adopts the "Three Lines Model" approach to strengthen risk ownership, enhance control effectiveness, and reinforce independent assurance activities throughout the Group.

Statement on Risk Management and Internal Controls

Integrated Enterprise Risk Management Process



The Group's ERM process is integrated into strategic, operational, and functional activities to support effective decision-making, operational resilience, and sustainable business growth. Aligned with ISO 31000:2018 Risk Management – Guidelines, the ERM process enables the Group to systematically identify, assess, evaluate, treat, monitor, and report risks within the Group's approved risk appetite.

During FY2026, the Group further strengthened its ERM implementation through enhanced departmental risk assessments, improved monitoring of KRIs, strengthened risk reporting mechanisms, and greater integration of sustainability, cybersecurity, and operational resilience considerations into business operations. Significant risks are periodically reviewed by Management, ARMC, and the Board to ensure effective oversight and continuous improvement of the Group's risk management practices.

PRINCIPAL RISKS

Principal Risks	Description	Key Mitigation Measures
Strategic Risk	Inefficient market expansion and aggressive competitor actions risk weak consumer acceptance, resource strain, and market share erosion.	• Held weekly R&D and planner meetings • Introduced new products with customised formulations e.g. Farm Fresh Grow, Moola Choco Malt, butter • Enhanced distribution network through acquisitions e.g. Inside Scoop, Sin Wah and Amelia • Enforced non-disclosure agreements (NDAs)

Statement on Risk Management and Internal Controls

Principal Risks	Description	Key Mitigation Measures
Financial and Commodity Price Risk	Exposure to fluctuation of foreign currency exchange rates, commodity price and credit risks.	• Utilised financial derivatives such as forward contracts and futures to limit exposure to exchange rate and commodity price fluctuations • Hedged commodity prices via both physical and financial hedging • Conducted credit assessments on counterparties to evaluate creditworthiness • Optimised production processes to improve efficiency and reduce costs
Geopolitical Risk	Geopolitical uncertainty affects cross-border trade, operational stability, and long-term business sustainability.	• Ensured good supplier and import-export governance • Increased operational and commercial flexibility • Diversified exposure to imports and exports
Product Quality and Safety Risk	Major product quality and safety issues may lead to customer health issues, loss of brand reputation and financial losses to the Group.	• Ensured compliance with Good Manufacturing Practices (GMP) and Hazard Analysis Critical Control Point (HACCP) guidelines • Strengthened quality checks and automated Cleaning in Place (CIP) processes • Provided staff with comprehensive training to promote correct handling procedures • Held regular machinery maintenance and lab equipment upgrades
Livestock and Biosecurity Risk	Failure to contain infections or poor dairy cow performance due to genetics or husbandry practices risks herd depletion, operational downtime, and low milk yields.	• Scheduled vaccinations for Foot and Mouth Disease (FMD), Lumpy Skin Disease (LSD), with Department of Veterinary Services advice • Implemented biosecurity controls like foot/tyre dips, movement control, and biosecurity drills • Selectively bred the Australian Friesian Sahiwal (AFS) dairy breed with in-vitro fertilisation (IVF) for genetic resilience • Ensured strict adherence to Good Animal Husbandry Practices (GAHP) for livestock best practices • Improved infrastructure, ventilation, and staff training in husbandry
Cybersecurity Risk	Data breaches, ransomware, or phishing attacks threaten operations and data integrity.	• Enforced IT policies, including password protocols and anti-virus software • Implemented IT platform updates and cloud-based systems • Conducted penetration testing and vulnerability assessments • Applied firewalls, cybersecurity software (Bitdefender) and disaster recovery protocols • Trained staff on phishing and ransomware
Information Technology Risk	New technologies and delayed system upgrades risk operational inefficiencies and competitive disadvantage.	• Enforced IT policy for devices and network monitoring • Implemented a barcode system for inventory and a ticketing system for IT troubleshooting • Conducted R&D investment in farm technology
Sustainability Risk	Extreme weather impacts feed crops, water availability, and cow health, causing production instability.	• Used regenerative agriculture since 2014 • Implemented water stewardship policies such as waste recycling for irrigation • Built climate-resilient infrastructure e.g. ventilation upgrades

Statement on Risk Management and Internal Controls

Principal Risks	Description	Key Mitigation Measures
People Risk	Low employee engagement and safety risks lead to turnover and injuries, impacting operations.	• Enhanced the HR function with a cloud-based platform and leadership training • Improved the OSH function and safety training • Standardised incident reporting with DOSH compliance
Legal & Regulatory Risk	Non-compliance or bribery risks fines, reputational damage, and legal action.	• Revised the ABAC Policy with annual declarations for all board, management and operational members • Ensured 100% employee ABAC training • Conducted regular audits with a legal register establishment and whistleblowing channel • Engaged with authorities for regulatory updates

INTERNAL CONTROL SYSTEM

The key features of the Group's control structure that provide reasonable assurance against the occurrence of events that could prevent the achievement of business objectives are as follows:

- **Board and Management Committees**

  Board Committees such as the Audit and Risk Management Committee and the Nomination and Remuneration Committee have been set up by the Board and delegated with specific responsibilities which are all governed by clearly defined terms of reference and authority for areas within their scope. The Board Charter sets out the responsibilities and functions of the Board and the supporting Board Committee.

- **Organisation Structure**

  The Group has a defined organisational structure with clear lines of responsibility, authority and accountability which enable the Management to act in the best interest of the shareholders.

- **Policies and Procedures**

  There is extensive documentation of policies, procedures and guidelines in the form of operational manuals on key business processes and supporting functions which include financial reporting, human capital, procurement and information technology systems. These policies and manuals are reviewed and revised periodically to meet changing business, operational and statutory reporting needs.

- **Limits of Authority (LOA)**

  Major investments and capital expenditure are reviewed and approved by the Board. All other procurements and payments are approved by the various levels of Management in accordance with their authorisation limits. The LOA is reviewed and updated periodically to reflect any changes.

- **System and Information Security**

  The Group Information Technology Department is responsible for continuously monitoring and resolving security threats to the Company both internally and externally. The Group has an IT Security Policy that regulates the use of information technology resources and system data, enhanced by cloud disaster recovery and IT platform updates.

- **Compliance to Regulatory Requirement**

  The Group continued to maintain the effectiveness of its internal control environment and remained in compliance with applicable regulatory requirements, including the Malaysian Anti-Corruption Commission (MACC) Act through the enhancement of its Anti-Bribery and Anti-Corruption (ABAC) Policy and continuous employee awareness initiatives. The whistleblowing channel (Speak-Up Channel) remained independently administered by the Internal Audit Department to ensure confidentiality and proper governance in handling reported concerns. In addition, Corruption Risk and Speak-Up Channel awareness programmes were conducted during FY2026 to further strengthen integrity, compliance awareness, and ethical business practices across the Group.

- **Reporting and Review**

  The Group is equipped with computerised systems that are capable of capturing, compiling and analysing data for management decision-making purposes. Monthly management reports containing financial results, ratio analysis and operational performance indicators are reviewed by the Management and Senior Management while the quarterly report on consolidated results are submitted for the Audit and Risk Management Committee and the Board's attention.

Statement on Risk Management and Internal Controls

INTERNAL AUDIT

The Internal Audit Department provides independent, risk based and objective assurance to the Board, ARMC and Management on the adequacy and effectiveness of governance, risk management and control processes of the organization with the purpose of strengthening the Group's ability to create, protect, and sustain value. This function serves as an important source of support for the ARMC in identifying weaknesses or deficiencies in internal processes and facilitating appropriate remedial measures to be taken by the Group.

The Internal Audit Department reports directly and functionally to the ARMC and administratively to the GCEO. The department is independent from the functions and activities that it audits and performs its duties in accordance with the Internal Audit Charter of the organization and Global Internal Audit Standards by the Institute of Internal Auditors.

Details of the internal audit function and activities are presented in the ARMC Report on pages 122 to 124 of this Annual Report.

JOINT VENTURES AND ASSOCIATES

The disclosures contained in this Statement do not extend to the risk management and internal control systems of Farm Fresh Jomcha Sdn. Bhd., which is accounted for as a associate of the Group. Following the disposal of the Group's controlling equity interest in December 2025, Farm Fresh Jomcha Sdn. Bhd. was reclassified from a subsidiary to an associate, with the Group retaining a 49% equity interest. While the Group does not have direct operational control over the associate, it continues to safeguard its investment and monitor key risks through board representation, shareholder rights, participation in governance processes, and regular engagement with management.

Through these governance mechanisms, the Group maintains appropriate oversight of the associate's strategic direction, financial performance, and significant business risks, and receives periodic updates on matters that may have a material impact on the Group's investment. This enables the Group to remain informed of key developments affecting Farm Fresh Jomcha Sdn. Bhd. while recognising the limitations associated with its non-controlling interest.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3, issued by the Malaysian Institute of Accountants (MIA).

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION BY THE BOARD

The Board is of the view that the Group's risk management and internal control systems are adequate and effective in all material respects to support the achievement of the Group's business objectives. For the year under review and up to the date of the approval of this Statement, the Board is not aware of any material losses, contingencies or uncertainties arising from any inadequacy or failure of the Group's risk management and internal control systems that would require separate disclosure in the Annual Report. The conclusion is based on review of issues addressed in internal audit reports, internal risk management reports and external audit observations, supplemented by additional information provided by external assurance providers.

The Board has also received reasonable assurance from the Group Managing Director and Group CEO as well as the Group CFO that the Group's risk management and internal control framework is operating adequately and effectively in all material aspects. Continuous focus on measures to safeguard and enhance shareholders' value and business sustainability will remain an important practice for the Group.

This Statement on Risk Management and Internal Control was approved by the Board on 23 July 2026.

Audit and Risk Management Committee Report

The Audit and Risk Management Committee (ARMC) is pleased to present its Report for FY2026, outlining the activities undertaken during the year in supporting the Board's oversight of financial reporting, external and internal audit, risk management, internal control and governance matters.

COMMITTEE COMPOSITION

The ARMC comprises three members, all of whom are independent non-executive directors (INEDs) and meets the requirements of paragraph 15.09 of the MMLR of Bursa Securities and is in full compliance with Step Up Practice 9.4 of the MCCG.

Director	Position
Nik Fazila binti Nik Mohamed Shihabuddin	Chairperson *Independent Non-Executive Director*
Jocelyn Ng Lai Leng *Independent Non-Executive Director*	Member *Independent Non-Executive Director*
Stephen John Watson Hagger *(appointed on 9 March 2026)*	Member *Independent Non-Executive Director*
Dato' Dr. Quaza Nizamuddin bin A. Hassan Nizam *(ceased role on 9 March 2026)*	Member *Independent Non-Executive Director*

MEETINGS AND ATTENDANCE

The ARMC convened five (5) meetings during FY2026. Details of each meeting and attendance by Committee members are set out below.

Name of Member	Financial Year Ended 31/03/2026					Number of Meetings Attended
	27/5/25	23/7/25	26/8/25	25/11/25	23/2/26	
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	/	/	/	/	/	5/5 (Ceased role w.e.f. 09/03/2026)
Jocelyn Ng Lai Leng	/	/	/	/	/	5/5
Nik Fazila Binti Nik Mohamed Shihabuddin	/	/	/	/	/	5/5
Stephen John Watson Hagger	N/A	N/A	N/A	N/A	N/A	N/A (Appointed w.e.f. 09/03/2026)

The ARMC may also invite other Board members, members of Senior Management, the External Auditors, or the Company Secretary to attend meetings and facilitate informed discussion as needed.

Audit and Risk Management Committee Report

KEY ACTIVITIES DURING FY2026

During the year, the ARMC undertook extensive activities in relation to financial reporting, external audit, internal audit, risk management, internal control, and governance policies in line with its Terms of Reference, which is available at www.farmfresh.com.my/investor-relations/. These activities are set out below.

1. Risk Management and Internal Control

- Reviewed, discussed, and evaluated risk-related matters and internal control issues with the Board, management, and both internal and external auditors.
- Monitored key risks such as workplace safety, regulatory compliance, strategic competition, customer complaints and emerging environmental as well as geopolitical risks.

2. Internal Audit

- Reviewed and approved the annual internal audit plan for FY2026.
- Reviewed and evaluated internal audit findings on various financial and operational aspects of the business.
- Monitored management's implementation of action plans and audit recommendations, enterprise risk management updates, and whistleblowing matters.
- Held private sessions with the Internal Auditors to facilitate open and objective discussion of key matters.

3. External Audit

- Reviewed the External Auditors' audit plan, scope, materiality, and areas of focus for FY2026.
- Received and reviewed review reports and briefings from the External Auditors on identified audit risks and other matters, including valuation of biological assets, trade receivables and other reporting matters.
- Held private sessions with the External Auditors without the presence of Management to enable matters to be discussed openly and evaluated objectively.

4. Financial Reporting

- Reviewed the Group's unaudited quarterly financial results and recommended the same to the Board for approval and release to Bursa Malaysia.
- Ensured compliance with all applicable financial reporting standards and regulatory disclosure requirements.

5. Related Party Transactions and Conflicts of Interest

- Reviewed related party transactions in accordance with the Listing Requirements and the Companies Act 2016, ensuring such transactions were conducted at arm's length and in the best interest of the Company.
- Supported the Board in reviewing and monitoring conflicts of interest, as well as potential conflict of interest situations to ensure that they are identified and managed effectively in line with the Listing Requirements.
- Determined zero conflicts of interest or potential conflicts of interest in FY2026.

6. Whistleblowing

- Reviewed anonymous complaints submitted via the Group's whistleblowing channels, responding as needed and ensuring due process was followed in all matters.

7. Governance and Other Matters

- Evaluated the performance of the External Auditors and internal auditors.

Audit and Risk Management Committee Report

NON-ASSURANCE SERVICES PRE-APPROVAL POLICY

In line with the Malaysian Institute of Accountants (MIA) By-Laws and the International Ethics Standards Board for Accountants (IESBA) requirements on auditor independence, the ARMC adopted a Non-Assurance Services (NAS) Pre-Approval Policy to strengthen oversight of services provided by the Group's external auditor beyond the statutory audit engagement. The policy establishes a framework for the pre-approval of permissible non-assurance services, ensuring that any such engagements do not impair, or appear to impair, the independence and objectivity of the external auditor. The policy also sets out clear governance procedures for assessing proposed engagements and determining whether specific ARMC approval is required.

During the financial year, the ARMC oversaw the implementation and enhancement of the NAS Pre-Approval Policy as part of its responsibility to safeguard the integrity of the external audit process. Under this framework, the ARMC maintained oversight of services rendered by the external auditor and ensured that all engagements were evaluated against established independence requirements. The policy supports the Group's commitment to sound corporate governance, transparency and regulatory compliance by promoting a structured and consistent approach to managing auditor independence and conflicts of interest.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Department functions independently and reports directly to the ARMC. Its role is to assess the adequacy and effectiveness of the Group's internal control systems, risk management processes and governance framework. During the financial year, the Internal Audit team comprised five personnel who were independent of any relationships or conflicts of interest that could compromise their objectivity. The department is led by Encik Mohd Zaihan Jamil, Head of Internal Audit and Risk Management.

Encik Mohd Zaihan Jamil holds a Bachelor's Degree in Accounting and is a Certified Internal Auditor (CIA). He brings more than 15 years of experience in governance, risk management and internal control, with exposure across various industries, including telecommunications and aviation.

During FY2026, the Group's Internal Audit Department carried out internal control and compliance reviews in accordance with the internal audit plan approved by the ARMC. The areas reviewed included:

1. Food safety and quality control
2. Production effectiveness and efficiency
3. Contract management
4. Warehouse and inventory management
5. Special review on operations in the Philippines

The findings and recommendations arising from these reviews were presented to Management for the necessary follow-up action. Subsequent reviews were also conducted to monitor the implementation of corrective measures. Where appropriate, significant matters were escalated to the Board through the ARMC.

The total cost incurred by the Internal Audit Department in carrying out its functions and responsibilities for FY2026 was approximately RM645,000, comprising mainly staff costs, benefits and travelling expenses.

This ARMC Report was reviewed and approved by the Board on 23 July 2026.

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee (NRC) is pleased to present its Report for FY2026, outlining how the Committee supported the Board in matters relating to Board composition, evaluation, succession planning and remuneration governance during the year.

COMMITTEE COMPOSITION

The NRC comprises five (5) members until October 2025 and after which there were four (4) members until end of FY2026, pursuant to the resignation of one of the director, all of whom are non-executive directors. The composition meets the requirements of paragraph 15.08A of the MMLR of Bursa Securities. The Chairperson of the NRC is an INED who is also not the Chairperson of the Board.

Director	Position
Stephen John Watson Hagger *(appointed on 9 March 2026)*	Chairperson *Independent Non-Executive Director*
Dato' Dr. Quaza Nizamuddin bin A. Hassan Nizam *(ceased role on 9 March 2026)*	Chairperson *Independent Non-Executive Director*
Jocelyn Ng Lai Leng	Member *Independent Non-Executive Director*
Loi Foon Kion	Member *Non-Independent Non-Executive Director*
Nik Fazila binti Nik Mohamed Shihabuddin	Member *Independent Non-Executive Director*
Effizal Faiz Bin Zulkifly *(Resigned on 17 October 2025)*	Member *Independent Non-Executive Director*

MEETINGS AND ATTENDANCE

The NRC convened two (2) meetings during the year, of which attendance by its members is set out below.

Name of Member	Financial Year Ended 31/03/2026		Number of Meetings Attended
	23/7/25	23/2/26	
Dato' Dr Quaza Nizamuddin Bin A. Hassan Nizam	/	/	2/2 (Ceased role w.e.f. 09/03/2026)
Jocelyn Ng Lai Leng	/	/	2/2
Loi Foon Kion	/	/	2/2
Nik Fazila Binti Nik Mohamed Shihabuddin	/	/	2/2
Effizal Faiz Bin Zulkifly	/	N/A	1/1 (Resigned w.e.f. 17/10/2025)
Stephen John Watson Hagger	N/A	N/A	N/A (Appointed w.e.f. 09/03/2026)

The NRC may invite other Board members, Management, the External Auditors, or the Company Secretary to attend meetings as required to support informed discussions.

Nomination and Remuneration Committee Report

COMMITTEE RESPONSIBILITIES

The NRC assists the Board by providing oversight on matters relating to the nomination, appointment, and remuneration of Directors of the Company, in line with its Terms of Reference which is available at www.farmfresh.com.my/investor-relations. Its key responsibilities include:

- Evaluating and recommending suitable candidates for appointment to the Board.
- Reviewing the Board's size, structure, independence, diversity and mix of skills and competencies.
- Assessing the effectiveness and performance of the Board, Board Committees, and individual Directors.
- Recommending remuneration policies and packages for Directors and Senior Management.

KEY ACTIVITIES DURING FY2026

During the year, the NRC undertook key activities relating to Board evaluation, Board composition, succession planning, remuneration governance, and Board Committee composition. These are set out below.

1. Nomination Matters

- Recommended the re-election of Directors retiring in accordance with the Company's Constitution ahead of the 14th AGM
- Reviewed and recommended the appointment of Stephen John Watson Hagger as an INED
- Reviewed and recommended the redesignation of Dato' Dr. Quaza Nizamuddin bin A. Hassan Nizam as Independent Non-Executive Chairman

2. Remuneration Matters

- Reviewed Directors' fees and benefits
- Reviewed matters relating to senior management evaluation and remuneration practices

3. Governance and Other Matters

- Reviewed the annual assessment of the Board, Board Committees, individual Directors and the Group Chief Financial Officer
- Reviewed the effectiveness of the Board and Board Committees, as well as the performance of individual Directors
- Reviewed the term of office and performance of the Audit and Risk Management Committee (ARMC) and each of its members
- Reviewed and recommended changes to the composition of the ARMC and NRC
- Reviewed and recommended amendments to the NRC's Terms of Reference
- Reviewed and recommended the adoption of the Succession Planning Policy

Additional Compliance Information

AUDIT AND NON-AUDIT FEES

The total fees paid and payable to the External Auditors and their affiliated firms for services rendered to the Group for FY2026 are as follows.

External Auditors and Types of Service		Fees (RM'000)	
		Company	Group
Audit Fees	KPMG PLT	200	500
	Member firm of KPMG International Limited	–	438
	Other Auditors	–	–
Total Audit Fees		**200**	**938**
Non-Audit Fees	KPMG PLT[1]	272	276
	Local Affiliates of KPMG PLT[2]	354	674
	Other Auditors[3]	–	82
Total Non-Audit Fees		**626**	**1,032**

[1] *Includes reviews of interim financial information, agreed-upon procedures and the Statement on Risk Management and Internal Control*

[2] *Comprises tax advisory, transfer pricing and financial due diligence services*

[3] *Tax compliance and related services*

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below and in the financial statements, there were no other material contracts entered into by the Company and/or its subsidiaries involving the Directors', Chief Executive's, and Major Shareholders' interests subsisting as at FY2026 or entered into since the end of the previous financial year.

- A product supply agreement was entered into between Farm Fresh Milk Sdn. Bhd. (the "Supplier") and Mesra Retail & Café Sdn. Bhd. (the "Customer"). Jocelyn Ng Lai Leng is a Director of the Customer, and the Board has noted that she had not been involved in decisions to approve contracts between the companies and that she would abstain from any deliberation and discussion in relation to such contracts.

Additional Compliance Information

EMPLOYEES' SHARE OPTION SCHEME

Pursuant to the Employees' Share Option Scheme (ESOS) implemented by the Group effective 21 March 2022, the movements in the number of outstanding options offered to take up unissued ordinary shares, including the applicable exercise price, are as follows.

	Date of Offer	Exercise Price (RM)	Number of Options ('000)				
			As at 1 April 2025	Granted	Exercised	Forfeited	As at 31 March 2026
First Grant	21 March 2022	1.35	18,403	–	(7,696)	(30)	10,677
Second Grant	11 May 2023	1.46	1,904	–	(601)	–	1,303
Third Grant	9 July 2024	1.45	7,190	–	(901)	–	6,270

UTILISATION OF INITIAL PUBLIC OFFERING (IPO) PROCEEDS

Following the Group's listing on the Main Market of Bursa Malaysia on 22 March 2022, the total gross proceeds of RM301 million raised from the public issue have been, and continue to be, utilised as planned, as outlined below.

Details and Use of Proceeds	Estimated Timeframe for Use of Proceeds	Proposed Utilisation as Disclosed in IPO Prospectus (RM'000)	Proposed Utilisation as Varied by 15 February 2024 (RM'000)	Actual Utilisation to 31 March 2026 (RM'000)	Balance to be Utilised (RM'000)
Capital Expenditure of the Group					
• Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia	Within 24 months	140,000	131,237	(132,455)	–
• Expansion of our production facility in Australia	Within 18 months	60,000	4,851	(4,851)	–
• Regional expansion outside of Malaysia	Within 24 months	40,000	40,000	(40,000)	
Working Capital	Within 12 months	40,789	40,789	(40,789)	
Estimated Listing Expenses	Within 3 months	20,200	20,200	(18,982)	
Proposed Acquisition of The Inside Scoop Sdn Bhd (TISSB)	On the date of completion of the SSA and SPA (as defined herein)	–	63,912	(63,912)	
Total		**300,989**	**300,989**	**(300,989)**	**–**

Statement of Board Responsibilities

The Board of Farm Fresh Berhad acknowledges its collective responsibility for the preparation, integrity and fair presentation of the Group's and the Company's annual financial statements.

The Directors are responsible for ensuring that the financial statements for FY2026 are prepared in accordance with Bursa Malaysia's Main Market Listing Requirements (Listing Requirements), Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), the Companies Act 2016 (CA 2016) and other applicable regulatory requirements.

The Board confirms that the financial statements have been prepared to give a true and fair view of the financial position of the Group and the Company as at the end of FY2026, as well as their financial performance and cash flows for the year under review.

The Board further affirms that:

- Proper accounting records have been maintained to enable the financial position of the Group and the Company to be determined with reasonable accuracy.
- Appropriate accounting policies have been applied consistently, supported by reasonable and prudent judgments and estimates.
- Adequate internal control systems have been maintained to safeguard the Group's assets and support the reliability of financial reporting.
- Reasonable steps have been taken to prevent and detect fraud, irregularities and material misstatements.
- The financial statements have been reviewed with appropriate oversight by the Audit and Risk Management Committee (ARMC), supported by engagement with the External Auditors and follow-up on internal audit findings.

In fulfilling its fiduciary duties as outlined in the Company's Constitution, the CA 2016, the Listing Requirements, the MCCG 2021, the Board Charter and other applicable laws and regulatory guidelines, the Board assumes full responsibility for the leadership, oversight and strategic direction of the Group.

In discharging these duties, the Board:

a) Sets corporate values and fosters a culture of good governance grounded in ethical, prudent and professional conduct, ensuring that obligations to shareholders and stakeholders are met.
b) Reviews, challenges and decides on proposals submitted by Management, and monitors their execution.
c) Oversees the implementation of the Group's strategic business plans to support long-term value creation and sustainable development, with due consideration of economic, environmental, social, and governance factors.
d) Monitors the conduct and performance of the Group's business operations to ensure effective and responsible management.
e) Reviews and ensures the adequacy and integrity of the Group's internal control systems and management frameworks, including compliance with applicable laws, regulations and guidelines.
f) Identifies the principal risks faced by the Group and recognises that responsible risk-taking is intrinsic to sound business decisions.
g) Determines the Group's risk appetite and ensures the establishment of a robust risk management framework to identify, assess, monitor and manage key financial and non-financial risks.
h) Ensures that members of the Board and Senior Management possess the requisite skills, experience and integrity to fulfil their responsibilities.
i) Ensures that the Company has instituted effective corporate disclosure policies and procedures to facilitate timely, transparent and accessible communication with shareholders and other stakeholders.
j) Ensures that all Directors are able to interpret financial statements and form sound opinions on the financial information presented.
k) Safeguards the integrity of the Company's financial and non-financial reporting through active oversight of financial reporting, external audit engagement, internal audit follow-up, risk management, and internal control matters.