

Farm Fresh Berhad
(Formerly known as The Holstein Milk Company Sdn. Bhd.)
Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)

Interim Financial Report
Fourth quarter ended 31 March 2023

Farm Fresh Berhad
(Formerly known as The Holstein Milk Company Sdn. Bhd.)

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

Condensed consolidated statement of financial position
as at 31 March 2023

	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Assets		
Property, plant and equipment	413,867,641	339,570,028
Right-of-use assets	20,191,229	14,820,525
Biological assets	115,193,886	95,709,674
Intangible assets	19,316,783	20,001,224
Trade and other receivables	758,651	740,429
Deferred tax assets	7,673,816	9,469,156
Total non-current assets	<u>577,002,006</u>	<u>480,311,036</u>
Inventories	173,674,616	118,844,819
Derivative financial assets	685,111	1,518,875
Trade and other receivables	131,826,451	100,248,170
Current tax assets	1,541,484	393,813
Cash and cash equivalents	22,969,591	28,103,066
Other investments	155,789,952	280,594,613
Total current assets	<u>486,487,205</u>	<u>529,703,356</u>
Total assets	<u>1,063,489,211</u>	<u>1,010,014,392</u>
Equity		
Share capital	381,071,015	380,607,443
Reserves	249,934,144	225,335,994
Equity attributable to owners of the Company	<u>631,005,159</u>	<u>605,943,437</u>
Non-controlling interests	<u>4,896,437</u>	<u>5,019,430</u>
Total equity	<u>635,901,596</u>	<u>610,962,867</u>
Liabilities		
Loans and borrowings	243,317,647	232,316,928
Lease liabilities	9,301,753	5,919,368
Deferred income	6,339,196	6,496,730
Deferred tax liabilities	7,731,483	7,711,483
Total non-current liabilities	<u>266,690,079</u>	<u>252,444,509</u>
Loans and borrowings	92,934,269	52,300,841
Derivative financial liabilities	1,987,161	--
Trade and other payables	64,010,451	93,075,548
Lease liabilities	1,694,958	959,930
Deferred income	270,697	270,697
Total current liabilities	<u>160,897,536</u>	<u>146,607,016</u>
Total liabilities	<u>427,587,615</u>	<u>399,051,525</u>
Total equity and liabilities	<u>1,063,489,211</u>	<u>1,010,014,392</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.34</u>	<u>0.37</u>

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Condensed consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 March 2023

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.03.2023 RM	Unaudited 31.03.2022 RM	Unaudited 31.03.2023 RM	Audited 31.03.2022 RM
Revenue	161,363,863	128,067,675	629,690,739	501,921,211
Cost of sales	(128,603,175)	(91,397,991)	(480,038,012)	(365,576,725)
Gross profit	32,760,688	36,669,684	149,652,727	136,344,486
Other income	224,150	2,576,831	9,161,914	14,820,037
Selling and distribution expenses	(12,869,691)	(9,223,875)	(51,711,477)	(32,002,783)
Administrative expenses	(10,724,740)	(10,803,348)	(35,871,628)	(35,997,008)
Other expenses	(2,020,967)	(1,289,593)	(7,590,743)	(7,655,695)
Results from operating activities	7,369,440	17,929,699	63,640,793	75,509,037
Finance income	87,769	672,116	472,794	1,266,915
Finance costs	(2,945,763)	(2,495,897)	(11,939,350)	(11,091,593)
Net finance costs	(2,857,994)	(1,823,781)	(11,466,556)	(9,824,678)
Profit before tax	4,511,446	16,105,918	52,174,237	65,684,359
Tax (expense)/credit				
- Current tax and deferred tax	(23,608)	1,207,943	(2,239,963)	2,390,954
- Reversal of over-provision for tax	--	--	--	10,490,033
Total tax (expense)/credit	(23,608)	1,207,943	(2,239,963)	12,880,987
Profit for the period	4,487,838	17,313,861	49,934,274	78,565,346
Other comprehensive (expense)/ income, net of tax				
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation difference: Other comprehensive (expense)/ income for the year	(1,242,608)	5,765,765	(9,572,974)	(1,460,084)
Total comprehensive income for the period	3,245,230	23,079,626	40,361,300	77,105,262
Profit/(Loss) attributable to:				
Owners of the Company	4,889,234	17,683,967	50,079,503	79,886,892
Non-controlling interests	(401,396)	(370,106)	(145,229)	(1,321,546)
Profit for the period	4,487,838	17,313,861	49,934,274	78,565,346
Total comprehensive income/ (expense) attributable to:				
Owners of the Company	3,685,328	23,265,945	40,835,420	78,472,477
Non-controlling interests	(440,098)	(186,319)	(474,120)	(1,367,215)
Total comprehensive income for the period	3,245,230	23,079,626	40,361,300	77,105,262
Basic earnings per ordinary share (sen)	0.26	1.08	2.69	4.87
Diluted earnings per ordinary share (sen)	0.26	1.08	2.69	4.87

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Condensed consolidated statement of changes in equity
for the financial year ended 31 March 2023

	← Attributable to owners of the Company →				Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Non-distributable Translation reserve RM	Share option reserve RM	Distributable Retained earnings RM			
At 1 April 2021	87,779,796	4,024,142	--	142,839,375	234,643,313	6,386,645	241,029,958
Foreign currency translation differences for foreign operations/ Total other comprehensive income for the year	--	(1,414,415)	--	--	(1,414,415)	(45,669)	(1,460,084)
Profit/(Loss) for the year	--	--	--	79,886,892	79,886,892	(1,321,546)	78,565,346
Total comprehensive (expense)/income for the year	--	(1,414,415)	--	79,886,892	78,472,477	(1,367,215)	77,105,262
<i>Contributions by and distributions to owners of the Company</i>							
Shares issued for the Public Issue	300,988,845	--	--	--	300,988,845	--	300,988,845
Shares issuance expenses for the Public Issue	(8,161,198)	--	--	--	(8,161,198)	--	(8,161,198)
Total transactions with owners of the Company	292,827,647	--	--	--	292,827,647	--	292,827,647
At 31 March 2022 (Audited)	380,607,443	2,609,727	--	222,726,267	605,943,437	5,019,430	610,962,867

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Condensed consolidated statement of changes in equity
for the financial year ended 31 March 2023 (continued)

	← Attributable to owners of the Company →				Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Non-distributable Translation reserve RM	Share option reserve RM	Distributable Retained earnings RM			
At 1 April 2022	380,607,443	2,609,727	--	222,726,267	605,943,437	5,019,430	610,962,867
Foreign currency translation differences for foreign operations/ Total other comprehensive expense for the year	--	(9,244,083)	--	--	(9,244,083)	(328,891)	(9,572,974)
Profit for the year	--	--	--	50,079,503	50,079,503	(145,229)	49,934,274
Total comprehensive income/(expense) for the year	--	(9,244,083)	--	50,079,503	40,835,420	(474,120)	40,361,300
<i>Contributions by and distributions to owners of the Company</i>							
Acquisition of a subsidiary	--	--	--	--	--	351,127	351,127
Dividend to owners of the Company	--	--	--	(19,880,116)	(19,880,116)	--	(19,880,116)
Share-based payment	--	--	3,722,478	--	3,722,478	--	3,722,478
Issue of shares pursuant to ESOS	463,572	--	(79,632)	--	383,940	--	383,940
Total transactions with owners of the Company	463,572	--	3,642,846	(19,880,116)	(15,773,698)	351,127	(15,422,571)
At 31 March 2023 (Unaudited)	381,071,015	(6,634,356)	3,642,846	252,925,654	631,005,159	4,896,437	635,901,596

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Condensed consolidated statement of cash flows for the financial year ended 31 March 2023

	12 months ended	
	Unaudited 31.03.2023 RM	Audited 31.03.2022 RM
Cash flows from operating activities		
Profit before tax	52,174,237	65,684,359
Adjustments for:		
Depreciation and amortisation:		
- Property, plant and equipment	31,064,235	26,738,344
- Right-of-use assets	1,928,178	1,600,997
- Intangible assets	234,995	233,301
Finance income	(472,794)	(1,266,915)
Finance costs	11,939,350	11,091,593
Equity settled share based payment	3,642,846	--
Impairment loss/(Reversal of impairment loss) on:		
- Property, plant and equipment	--	78,635
- Trade receivables	270,048	(86,020)
(Reversal)/Written off of:		
- property, plant and equipment	7,728	145,844
- obsolete and slow-moving inventories	(174,943)	840,027
Gain on disposal of property, plant and equipment	(299,110)	(120,672)
Gain from a bargain purchase	(133,570)	--
Amortisation of deferred income	(270,697)	(270,697)
(Gain)/Loss arising from changes in fair value of:		
- dairy cows and goats	(110,302)	(9,949,771)
- derivatives financial instruments	2,528,722	(1,518,875)
- other investments	(2,457,218)	35,124
Dividend income from other investments	(3,738,121)	(629,737)
Unrealised (gain)/loss on foreign exchange	(488,893)	449,662
Operating profit before changes in working capital	95,644,691	93,055,199
Change in inventories	(53,314,882)	(13,927,037)
Change in trade and other receivables	(29,355,392)	(11,029,069)
Change in trade and other payables	(31,420,025)	9,547,351
Change in deferred income	113,163	--
Cash generated (used in)/from operations	(18,364,797)	77,646,444
Interest received	472,794	1,266,915
Tax paid	(2,088,830)	(29,711,427)
Net cash (used in)/from operating activities	(19,948,481)	49,201,932
Cash flows from investing activities		
Acquisition of:		
- Property, plant and equipment	(111,612,444)	(60,311,001)
- Right-of-use assets	(1,963,523)	(110,164)
- Biological assets	(29,658,163)	(25,078,330)
- Intangible assets	(324,495)	(429,154)
- Subsidiary, net of cash and cash equivalents acquired	(3,238,422)	--
Withdrawal from/(Net investment in) other investments	131,000,000	(280,000,000)
Proceeds from disposal of:		
- Property, plant and equipment	9,059,756	1,082,128
- Biological assets	8,208,938	8,025,796
Net cash from/(used in) investing activities	1,471,647	(356,820,725)

Condensed consolidated statement of cash flows for the financial year ended 31 March 2023
(continued)

	12 months ended	
	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Cash flows from financing activities		
Interest paid	(11,574,061)	(8,275,112)
Dividend paid	(19,880,116)	--
Proceeds from shares issued	463,572	292,827,647
Drawdown of sukuk	--	200,000,000
Drawdown/(Repayment) of term loans	13,062,543	(49,448,263)
Net proceeds/(payment) from:		
- Bankers' acceptances	26,350,297	(20,229,429)
- Revolving credits	14,760,000	(4,074,000)
- Short-term financing	69,940	(107,420)
Repayment of hire purchase liabilities	(6,836,881)	(37,226,699)
Capital contributed by a minority shareholder	351,127	--
Repayment of lease liabilities	(1,626,285)	(956,485)
Repayment of loan from a shareholder	--	(34,012,603)
Net cash from financing activities	<u>15,107,784</u>	<u>338,497,636</u>
Exchange difference on translation of the financial statements of foreign operation	(1,764,425)	(227,078)
Net (decrease)/increase in cash and cash equivalents	(5,133,475)	30,651,765
Cash and cash equivalents at 1 April	<u>28,103,066</u>	<u>(2,548,699)</u>
Cash and cash equivalents at 31 March	<u><u>22,969,591</u></u>	<u><u>28,103,066</u></u>

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

	12 months ended	
	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Cash and cash equivalents:		
- cash and bank balances	22,919,339	28,052,940
- deposits with licensed banks	50,252	50,126
	<u><u>22,969,591</u></u>	<u><u>28,103,066</u></u>

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

A1. Basis of preparation

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

This condensed consolidated interim financial report should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2022 and the accompanying notes attached to the interim financial report.

A2. Significant accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 March 2022.

The following MFRS, interpretations and amendments have become effective for annual periods beginning on or after 1 January 2022, but have not had an effect on the application of the Group’s accounting policies during the reporting period:

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

The following MFRS, interpretations and amendments will become effective for annual periods beginning on or after 1 January 2023:

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The following MFRS, interpretations and amendments will become effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*

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

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

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

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

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

A3. Auditors' report

The audited consolidated financial statements for the financial year ended 31 March 2022 was not subject to any qualifications.

A4. Seasonal or cyclical factors

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

A5. Unusual items

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

A6. Changes in estimates

There were no material changes in estimates for the current quarter and financial year under review.

A7. Debt and equity securities

There were no debt and equity securities issued during the current quarter and financial year under review.

A8. Dividends paid

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

A9. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM117.84 million during the financial year under review.

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

A10. Impairment losses

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

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

A11. Segment information

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

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

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

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

Individual quarter (3 months)	Malaysia's Operation RM'000	Australia's Operation RM'000	Total RM'000
Unaudited			
1.1.2023 to 31.3.2023			
Segment profit/(loss) before tax	<u>7,113</u>	<u>(2,602)</u>	<u>4,511</u>
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	138,989	22,375	161,364
Inter-segment revenue	25,259	39,424	64,683
Depreciation and amortisation	(6,254)	(2,259)	(8,513)
Finance costs	(2,079)	(866)	(2,945)
Finance income	<u>85</u>	<u>3</u>	<u>88</u>
1.1.2022 to 31.3.2022			
Segment profit/(loss)	<u>15,168</u>	<u>938</u>	<u>16,106</u>
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	120,688	7,379	128,067
Inter-segment revenue	17,985	35,587	53,572
Depreciation and amortisation	(5,379)	(1,770)	(7,149)
Impairment loss on property, plant and equipment	--	--	--
Redundancy costs	--	47	47
Finance costs	(2,865)	369	(2,496)
Finance income	<u>99</u>	<u>573</u>	<u>672</u>

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

A11. Segment information (continued)

Cumulative quarter (12 months)	Malaysia's Operation RM'000	Australia's Operation RM'000	Total RM'000
Unaudited			
1.4.2022 to 31.3.2023			
Segment profit/(loss)	<u>56,372</u>	<u>(4,198)</u>	<u>52,174</u>
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	537,930	91,761	629,691
Inter-segment revenue	91,605	162,672	254,277
Depreciation and amortisation	(25,043)	(8,184)	(33,227)
Finance costs	(9,527)	(2,412)	(11,939)
Finance income	281	192	473
Audited			
1.4.2021 to 31.3.2022			
Segment profit/(loss)	<u>73,714</u>	<u>(8,030)</u>	<u>65,684</u>
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	455,582	46,339	501,921
Inter-segment revenue	59,598	146,581	206,179
Depreciation and amortisation	(21,541)	(7,032)	(28,573)
Impairment loss on property, plant and equipment	--	(79)	(79)
Redundancy costs	--	(4,851)	(4,851)
Finance costs	(9,357)	(1,735)	(11,092)
Finance income	273	994	1,267

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

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

A13. Changes in the composition of the Group

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

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

A14. Fair value information

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

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

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

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

	Fair value of financial instruments carried at fair value Level 2 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
31.3.2023				
Financial assets				
Interest rate swap	685	--	685	685
Other investments	155,790	--	155,790	155,790
	<u>156,475</u>	<u>--</u>	<u>156,475</u>	<u>156,475</u>
Financial liabilities				
Forward exchange contracts	(1,695)	--	(1,695)	(1,695)
Hire purchase liabilities	--	(19,204)	(19,204)	(20,183)
Term loans	--	(30,664)	(30,664)	(30,436)
Sukuk	--	(202,487)	(202,487)	(202,487)
	<u>(1,695)</u>	<u>(252,355)</u>	<u>(254,050)</u>	<u>(254,801)</u>
31.3.2022				
Financial assets				
Forward exchange contracts	783	--	783	783
Interest rate swap	736	--	736	736
Other investments	280,595	--	280,595	280,595
	<u>282,114</u>	<u>--</u>	<u>282,114</u>	<u>282,114</u>
Financial liabilities				
Hire purchase liabilities	--	(19,217)	(19,217)	(20,545)
Term loans	--	(18,913)	(18,913)	(18,726)
Sukuk	--	(202,487)	(202,487)	(202,487)
	<u>--</u>	<u>(240,617)</u>	<u>(240,617)</u>	<u>(241,758)</u>

A15. Contingent liabilities

There were no material changes in contingent liabilities arising since the last audited consolidated financial statements for the financial year ended 31 March 2022.

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

A16. Capital commitments

	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Contracted but not provided for:		
Plant and equipment	22,242,517	2,955,647
Intangible assets	163,505	267,522
	<u>22,406,022</u>	<u>3,223,169</u>

A17. Significant related party transactions

The significant related party transactions of the Group are shown below.

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2023 RM	Unaudited 31.3.2022 RM	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
A. Key management personnel				
<i>Directors</i>				
Remuneration	<u>434,446</u>	<u>677,019</u>	<u>1,715,821</u>	<u>2,162,233</u>
<i>Other key management personnel</i>				
Remuneration	<u>1,079,093</u>	<u>1,862,805</u>	<u>3,677,870</u>	<u>3,858,651</u>
B. Minority shareholder in a subsidiary				
Purchase of biological assets and other animal health related products	<u>6,109,899</u>	<u>7,403,211</u>	<u>13,970,244</u>	<u>16,582,813</u>
C. Person connected to Directors				
Purchase of motor vehicles	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,000</u>
D. Companies connected to Directors				
Rental expenses	<u>3,000</u>	<u>3,000</u>	<u>12,000</u>	<u>15,000</u>
E. Shareholder				
Interest accrual	--	--	--	551,507
Logistics services from an associate of a shareholder	8,156	115,058	275,245	219,082
Purchase of raw material from a subsidiary of a shareholder	<u>30,000</u>	<u>24,000</u>	<u>156,000</u>	<u>84,000</u>

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

B1. Review of performance

Current quarter against corresponding quarter (Q4'23 vs Q4'22)

	Individual quarter 3 months ended		Changes %
	31.3.2023 RM	31.3.2022 RM	
Revenue	161,363,863	128,067,675	26.0
Gross profit	32,760,688	36,669,684	(10.7)
Operating profit	7,369,440	17,929,699	(58.9)
Profit before tax	4,511,446	16,105,918	(72.0)
Profit after tax	4,487,838	17,313,861	(74.1)
Profit attributable to owners of the Company	<u>4,889,234</u>	<u>17,683,967</u>	<u>(72.4)</u>
Reconciliation of PATAMI to Normalised PATAMI: Add/(Less) :	4,889,234	17,683,967	(72.4)
IPO expenses	--	4,028,093	
Fair value loss/(gain) on valuation of biological assets	1,274,003	(128,403)	
Fair value loss/(gain) on forward foreign exchange contracts	187,592	(735,182)	
Share option scheme expenses (ESOS)	882,920	--	
Annual fee pursuant to Collaboration Agreement with Universiti Putra Malaysia (UPM)	<u>1,111,810</u>	<u>--</u>	
Normalised PATAMI	<u>8,345,559</u>	<u>20,848,475</u>	<u>(40.0)</u>

The Group's revenue increased by 26.0% or RM33.3 million as compared to the corresponding quarter in financial year 2022, mainly contributed by the increase in Malaysian revenue by 15.2% or RM18.3 million driven by positive Ramadhan sales, further boosted by the School Milk Program. Australian revenue increased from RM7.4 million in Q4'22 to RM22.4 million in Q4'23 underpinned by increasing external sales from Goulburn Valley Creamery Pty Ltd.

Despite the increase in revenue, the Group's gross profit was adversely affected by escalating prices of major dairy raw materials. Apart from that, higher contributions from the Australian operations which recorded lower margins further dampened the gross margin.

The Group's operating profit and profit before tax decreased by RM10.6 million and RM11.6 million respectively, primarily due to the decrease in gross profit as mentioned above. Apart from that, the Group incurred higher selling and distribution cost, resulting from the higher overall sales and specifically distribution costs incurred for the School Milk Program which is performed by the stockists and home dealers. In addition, the Group has recorded higher salary expenses following the hike in minimum wages by 25% with effect from 1 May 2022 onwards and amendment of Employment Act on maximum working hours and overtime charges with effect from 1 January 2023 onwards. The Group also recorded a higher fair value loss on valuation of biological assets of RM1.3 million as opposed to RM0.1 million fair value gain in the corresponding quarter. Additionally, the Group recognized Employees' Share Option Scheme ("ESOS") expenses of RM0.9 million upon the grant of share options to employees of the Group, and an annual fee of RM1.1 million pursuant to Collaboration Agreement with Universiti Putra Malaysia ("UPM") for the use of UPM site.

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

B1. Review of performance (continued)

Current financial period against corresponding financial period (FY'23 vs FY'22)

	Cumulative quarter 12 months ended		Changes %
	31.3.2023 RM	31.3.2022 RM	
Revenue	629,690,739	501,921,211	25.5
Gross profit	149,652,727	136,344,486	9.8
Operating profit	63,640,793	75,509,037	(15.7)
Profit before tax	52,174,237	65,684,359	(20.6)
Profit after tax	49,934,274	78,565,346	(36.4)
Profit attributable to owners of the Company ("PATAMI")	<u>50,079,503</u>	<u>79,886,892</u>	<u>(37.3)</u>
Reconciliation of PATAMI to Normalised PATAMI: Add/(Less) :	50,079,503	79,886,892	(37.3)
Gross losses from IXL fruit jam business	171,513	3,648,365	
Redundancy costs - IXL fruit jam business	--	3,880,679	
IPO expenses	--	7,966,565	
Fair value loss/(gain) on valuation of biological assets	55,252	(9,336,166)	
Fair value loss on forward foreign exchange contracts	2,477,780	--	
Share option scheme expenses (ESOS)	3,497,627	--	
Management fee pursuant to Collaboration Agreement with Universiti Putra Malaysia (UPM)	1,111,810	--	
Reallocation of tax reversal ⁽ⁱ⁾	--	(10,490,033)	
Deferred tax income arising from business losses by Australian subsidiaries ⁽ⁱⁱ⁾	--	(4,805,197)	
Normalised PATAMI	<u>57,393,485</u>	<u>70,751,105</u>	<u>(18.9)</u>

(i) Please refer Note B5 for more details.

(ii) Deferred tax income arising from the business losses of HJF IXL fruit jam operations amounted to RM3.6 million in the preceding 12-month period ended 31 March 2022, while the remaining related to the business losses of other Australian subsidiaries.

The Group registered a yearly revenue of RM629.7 million in the current financial year, representing an increase of 25.5% or RM127.8 million. The increase was mainly attributable to the increase in Malaysian revenue by 18.1% or RM82.3 million driven by higher school milk sales, coupled with higher sales of our RTD milk products and positive impact from launching of new products. Apart from that, Australian revenue also increased by RM45.5 million as compared to last financial year due to higher external sales from Goulburn Valley Creamery Pty Ltd.

Despite the strong increase in revenue, the Group's gross profit increased by only 9.8% or RM13.3 million, primarily attributable to the overall increase in input costs including key dairy raw materials, labour costs following the hike in minimum wages by 25% effective from Q1'23 onwards, high farming costs and high energy costs. In addition, higher contributions from the HORECA (hotels, restaurants, and catering) sales channel and Australian operations which both recorded lower margins have also contributed to the margin compression.

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

B1. Review of performance (continued)

Current financial period against corresponding financial period (FY'23 vs FY'22) (continued)

The Group's operating profit and profit before tax declined by RM11.9 million and RM13.5 million respectively, mainly due to the decrease in gross profit as mentioned above, and significantly lower fair value gain on valuation of biological assets of RM0.1 million in the current financial year as compared to RM9.9 million in the corresponding financial year. Apart from that, the Group also incurred higher selling and distribution cost, resulting from the higher overall sales and specifically distribution costs incurred for the School Milk Program which is performed by the stockists and home dealers, and higher marketing spend. Additionally, the Group recognized Employees' Share Option Scheme ("ESOS") expenses of RM3.7 million which was first recognized during the current financial year upon the grant of share options to employees of the Group. The decrease was also contributed by the unrealized derivative loss of RM2.5 million arising from currency (AUD) forward exchange contract due to the lower year end closing rate as compared to the average forward contracted rate.

The Group's profit after tax declined by 36.4% mainly due to the aforementioned reasons, in addition to the tax reversal of RM10.5 million (*refer Note B5 for more details*) and recognition of higher deferred tax income in the corresponding financial year, in line with the higher business losses incurred by Australian operation, in the corresponding financial year.

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

B2. Comparison with immediate preceding quarter (Q4'23 vs Q3'23)

	Current quarter 31.3.2023 RM	Preceding quarter 31.12.2022 RM	Changes %
Revenue	161,363,863	162,165,396	(0.5)
Gross profit	32,760,688	39,492,248	(17.0)
Operating profit	7,369,440	23,708,974	(68.9)
Profit before tax	4,511,446	20,353,753	(77.8)
Profit after tax	4,487,838	18,762,078	(76.1)
Profit attributable to owners of the Company	<u>4,889,234</u>	<u>18,768,233</u>	<u>(73.9)</u>
Reconciliation of PATAMI to Normalised PATAMI: Add/(Less) :	4,889,234	18,768,233	(73.9)
Fair value loss/(gain) on valuation of biological assets	1,274,003	(844,903)	
(Reversal of) share option scheme expenses (ESOS)	882,920	(1,525,005)	
Annual fee pursuant to Collaboration Agreement with Universiti Putra Malaysia (UPM)	<u>1,111,810</u>	<u>--</u>	
Normalised PATAMI	<u>8,157,967</u>	<u>16,398,325</u>	<u>(50.3)</u>

The Group's revenue in the current quarter has remained constant as compared to the preceding quarter.

However, the Group's gross profit decreased by 17.0% or RM6.7 million, mainly attributable to the escalating prices of key dairy raw materials. Also, the lower production volume from Australian operations during the current quarter has further decreased the gross margin.

The Group's operating profit and profit before tax decreased substantially mainly due to the aforementioned decline in gross margin, and a fair value loss on valuation of biological assets of RM1.3 million in the current quarter as opposed to the fair value gain of RM1.0 million in the preceding quarter. The decrease was also due to a provision of RM0.9 million ESOS expenses in the current quarter as opposed to a reversal of RM1.5 million ESOS expenses in the preceding quarter. In addition, the Group recorded higher salary expenses in current quarter following the amendment of Employment Act on maximum working hours and overtime charges with effect from 1 January 2023 onwards, and an annual fee of RM1.1 million pursuant to Collaboration Agreement with Universiti Putra Malaysia ("UPM") for the use of UPM site. The Group also recorded higher forex loss in current quarter due to the weakening of MYR against AUD.

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

B3. Prospects for the Group

Prospects

Despite the strong growth in revenues, the Group has recognised a lower profit this quarter, which culminated from the long persisting and heightened input costs, labour costs as well as foreign exchange rate fluctuations. Given the severity of the headwinds faced by the Group and to counter the higher input prices, the Group is increasing prices for its chilled RTD products and certain UHT products in Malaysia effective mid-July 2023 by 5%.

Additionally, we expect the farmgate milk prices in Australia to drop for the season beginning July 2023. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), the science and economics research division of the Department of Agriculture, Fisheries and Forestry of Australia, has forecasted a reduction of farmgate milk price by 14% for the July 2023 – June 2024 season due to an expected reduction in export prices and stabilisation in milk production. The expected reduction in export prices is already reflected in the declining trend in milk powder prices at the Global Dairy Trade (“GDT”) beginning the second half of 2022. In addition, the current rationalisation of processing facilities among milk processors in Australia is expected to contribute to a reduction in competition between processors. All the abovementioned developments are expected to result in the lowering of input costs and improvement of margins beginning the second half of 2023.

Going into the next financial year, the Group is poised to grow its revenues with Farm Fresh Grow, the ready-to-drink (“RTD”) growing-up milk based on a fortified fresh milk formula launched in October 2022. The Group is planning to leverage on the awareness created by our marketing campaigns on the use of pure ingredients in growing-up milk by launching our growing-up milk in powder format slated for October 2023.

Our Taiping processing plant is slated to commence production in June 2023, and this will improve our chilled milk production capacity and reduce logistics costs to supply chilled milk products to the northern states of Peninsular Malaysia. In addition to the new portion pack filling and packaging line at Muadzam Shah Facility operational in November 2022, the Group has installed an additional UHT processing line in April 2023 to improve throughput and enable the Group to run all its filling and packaging lines concurrently, which was not possible before with the current 2 processing lines running. This will alleviate the capacity constraints that we have currently for portion packs within the ambient category.

The Group has also made progress in its expansion plans in the Philippines. We have secured a site located within an hour from Manila for our processing plant, which is slated to be operational in the second half of 2023. Additionally, the completion of the Taiping processing plant will free up some capacity at our Larkin processing plant, enabling us to focus on our exports to Singapore which have already grown strongly over the last 3 years.

We will also continue to drive our ESG agenda in the coming year. We are in the process of developing a biogas plant in the Muadzam Shah farm, expected to be operational by end of 2023 and contribute to an estimated reduction of 9,800 tonnes carbon dioxide (tCO₂) per annum and an estimated displacement or reduction of diesel usage of 670,000 litres per annum. We have also pioneered fresh milk sold in reusable glass bottles beginning in September 2022 with our Milk on Tap initiative in collaboration with Jaya Grocer which has been rolled out at four Jaya Grocer outlets with a further three more outlets planned for by end of August 2023. We believe that this trailblazing move will provide impetus to the dairy industry to reduce plastics usage significantly with an eco-friendly way of buying milk.

As part of our business expansion plans, we have recently proposed to acquire a controlling stake in the largest home-grown ice cream chain in Malaysia, The Inside Scoop Sdn Bhd (“TISSB”). This acquisition, which is expected to be completed on 31 May 2023, will pave the way for the Group’s entry and ownership in one of the fastest growing artisanal ice creameries and largest home-grown ice-cream chain in Malaysia, which is expected to be accretive to the earnings the Group. We intend to leverage on the competency and experience of the founders of TISSB who will spearhead FFB’s ice cream division and lead our foray into the lucrative consumer package goods ice cream market.

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

B4. Profit forecast

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

B5. Tax expense/(credit)

Income tax expenses/(credit) on continuing operations comprise the following:

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2023 RM	Unaudited 31.3.2022 RM	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Tax expense	218,159	(464,000)	941,159	1,705,656
Deferred tax (income)/expense	(194,551)	(743,943)	1,298,804	(4,096,610)
Reversal of over-provision for tax ⁽ⁱ⁾	--	--	--	(10,490,033)
	<u>23,608</u>	<u>(1,207,943)</u>	<u>2,239,963</u>	<u>(12,880,987)</u>

- (i) A subsidiary had been granted Agricultural Tax Incentive for the rearing of goats/cows and milk processing projects. While the subsidiary filed its prior years taxes on the basis that it enjoyed full tax incentive on its operation, certain milk processing plants of the subsidiary had not been notified to the Ministry of Agriculture and Food Industries Malaysia and consequently not added as approved locations on a timely basis. Based on the resolution with the Inland Revenue Board ("IRB"), an additional tax payable and penalty (Additional Tax Amount) of RM25,708,582 had been provided in the audited financial statements for the year ended 31 March 2021 in respect of these locations for the relevant prior years of assessment ("YA") from 2014 to 2020.

Further, the Ministry of Finance ("MOF") had approved the application for inclusion of the additional locations in Larkin ("Larkin Facility"), starting from YA 2022 onwards. Hence, tax was also provided in respect of these locations for YA 2021 in the audited financial statements for the year ended 31 March 2021.

Upon a subsequent application to the MOF, the subsidiary had received approval that the additional locations are approved for a new Tax Incentive under Section 127 (3A) of Income Tax Act, 1967. Under the incentive, the subsidiary is allowed to claim income tax exemption on its statutory income arising from qualifying projects conducted in the additional locations for 10 (5+5) years commencing from YA 2021.

Accordingly, the tax payable amount of RM10,490,033 for YA 2021 previously recorded for in the financial year ended 31 March 2021 was reversed in the financial year ended 31 March 2022.

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

B6. Status of corporate proposals

On 15 February 2023, the Company announced that it has entered into the following agreements:

- (i) a share purchase agreement with the existing shareholders of The Inside Scoop Sdn Bhd (“**TISSB**”), namely Edmund Tan Jun Hua (“**Edmund Tan**”), Wu Chuang Yang, Derrick (“**Derrick Wu**”) and Harsh Rajpal (collectively referred to as “**Vendors**”) (“**SPA**”) for the proposed acquisition by FFB of 462,739 existing ordinary shares in TISSB (“**TISSB Shares**”) (“**Sale Shares**”), representing 53.0% of the enlarged issued TISSB Shares after the completion of the Proposals (as defined below), for a total purchase consideration of approximately RM68.4 million, subject to adjustments, based on the terms and conditions of the SPA (“**Purchase Consideration**”) (“**Proposed Acquisition**”); and
- (ii) a share subscription agreement with TISSB (“**SSA**”) for the proposed subscription by FFB of 104,771 new TISSB Shares (“**Subscription Shares**”), representing 12.0% of the enlarged issued TISSB Shares after the completion of the Proposals, for a total subscription consideration of approximately RM15.5 million based on the terms and conditions of the SSA (“**Subscription Consideration**”) (“**Proposed Subscription**”).

(The Proposed Acquisition and the Proposed Subscription are collectively referred to as “**Proposals**”)

(The SPA and SSA are collectively referred to as “**Transaction Documents**”)

Upon completion of the Proposals, TISSB will become a 65.0%-owned subsidiary of FFB while the remaining 35.0% equity interest in TISSB will be held by Edmund Tan. FFB and Edmund Tan will, upon the completion of the Proposals, enter into a shareholders’ agreement (“**SHA**”) to regulate the relationship of both parties as shareholders of TISSB. Pursuant to the SHA, FFB will grant to Edmund Tan the right to require FFB to purchase from Edmund Tan, upon the occurrence of any of the Triggering Events at any time during Put Option Period (collectively defined in Section 2.5 of this Announcement), the remaining TISSB Shares held by Edmund Tan (“**Put Option Shares**”) (“**Put Option**”).

The Proposals are subject to the following being obtained:

- (i) approval of the shareholders of FFB for the Proposals including the issuance of the 13,158,000 new ordinary shares in FFB pursuant to the Proposed Acquisition (“**Consideration Shares**”) and granting of the Put Option at an extraordinary general meeting of the Company to be convened, which was obtained on 10 May 2023; and
- (ii) approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities, which was obtained on 4 April 2023.

The Proposed Acquisition and the Proposed Subscription are inter-conditional. The Proposals are not conditional upon any other corporate proposal/scheme of the Company.

Other than the above, there were no corporate proposals pending completion as at the date of this report.

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

B7. Utilisation of proceeds from the Public Issue

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

Details of use of proceeds	Estimated timeframe for the use of proceeds	Proposed utilization as disclosed in IPO prospectus RM'000	Variation ⁽¹⁾ RM'000	Proposed utilization as varied by 15.2.2023 RM'000	Actual utilization to 31.3.2023 RM'000
1. Capital expenditure of our Group					
- <i>Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia</i>	Within 24 months	140,000	(8,763)	131,237	(19,041)
- <i>Expansion of our production facility in Australia</i>	Within 18 months	60,000	(55,149)	4,851	(4,851)
- <i>Regional expansion outside of Malaysia</i>	Within 24 months	40,000	-	40,000	(5,416)
2. Working capital	Within 12 months	40,789	-	40,789	(40,789)
3. Estimated listing expenses	Within 3 months	20,200	-	20,200	(18,982)
4. Proposed acquisition of TISSB	On the date of completion of the SSA and SPA (as defined herein)	-	63,912	63,912	-
		300,989	-	300,989	(89,079)

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company.

(1) The variation was announced on 15 February 2023.

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

B8. Loans and borrowings

	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Non-current		
Secured		
Term loans	30,033,247	17,055,872
Hire purchase liabilities	13,284,400	15,261,056
	43,317,647	32,316,928
Unsecured		
Sukuk	<u>200,000,000</u>	<u>200,000,000</u>
	<u>243,317,647</u>	<u>232,316,928</u>
Current		
Unsecured		
Sukuk	2,486,795	2,486,795
Secured		
Term loans	403,233	1,670,403
Hire purchase liabilities	6,898,567	5,284,323
Bankers' acceptances	67,404,151	41,888,529
Revolving credits	14,760,000	--
Short term financing	981,523	970,791
	<u>90,447,474</u>	<u>49,814,046</u>
	<u>92,934,269</u>	<u>52,300,841</u>
	<u>336,251,916</u>	<u>284,617,769</u>

The loans and borrowings of the Group are denominated in MYR, except for term loans of RM28,142,800 (31.3.2022: RM15,736,500), hire purchase liabilities of RM15,632,333 (31.3.2022: RM20,545,379), bankers' acceptances of RM14,812,000 (31.3.2022: RM12,589,200) and short term financing of RM981,523 (31.3.2022: RM970,791) are denominated in AUD.

B9. Material litigations

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

As at 31 March 2023, the case is still ongoing, and in the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

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

B10. Dividends

The Board of Directors does not recommend any dividend for the current financial period under review.

B11. Earnings per share (“EPS”)

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

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2023	Unaudited 31.3.2022	Unaudited 31.3.2023	Audited 31.3.2022
Net profit attributable to the owners of the Company (RM)	4,889,234	17,683,967	50,079,503	79,886,892
Weighted average number of ordinary shares in issue ⁽ⁱ⁾	<u>1,858,239,237</u>	<u>1,641,108,485</u>	<u>1,858,239,237</u>	<u>1,641,108,485</u>
Basic EPS (sen)	<u>0.26</u>	<u>1.08</u>	<u>2.69</u>	<u>4.87</u>

- (i) For individual and cumulative quarter ended 31 March 2022, based on the weighted average number of issued share capital of 1,635,000,137 ordinary shares after the completion of Bonus Issue but before the Public Issue and 1,857,954,837 ordinary shares after the completion of initial public offering.

Diluted earnings per ordinary share

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

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

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2023	Unaudited 31.3.2022	Unaudited 31.3.2023	Audited 31.3.2022
Net profit attributable to the owners of the Company (RM)	4,889,234	17,683,967	50,079,503	79,886,892
Weighted average number of ordinary shares in issue ⁽ⁱ⁾	<u>1,858,239,237</u>	<u>1,641,108,485</u>	<u>1,858,239,237</u>	<u>1,641,108,485</u>
Effect of share option in issue ⁽ⁱⁱ⁾	3,672,267	--	3,672,267	--
Total weighted average number of ordinary shares	<u>1,861,911,504</u>	<u>1,641,108,485</u>	<u>1,861,911,504</u>	<u>1,641,108,485</u>
Diluted EPS (sen)	<u>0.26</u>	<u>1.08</u>	<u>2.69</u>	<u>4.87</u>

- (ii) For individual and cumulative quarter ended 31 March 2023, adjusted for Employees' Share Option Scheme (“ESOS”).

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

B12. Revenue

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2023 RM	Unaudited 31.3.2022 RM	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Revenue from contracts with customers				
- At a point in time	161,363,863	128,067,675	629,690,739	501,921,211

B13. Profit before tax

	Individual quarter 3 months ended		Cumulative quarter 12 months ended	
	Unaudited 31.3.2023 RM	Unaudited 31.3.2022 RM	Unaudited 31.3.2023 RM	Audited 31.3.2022 RM
Profit for the year is arrived at after charging/(crediting)				
Depreciation and amortisation:				
- Property, plant and equipment	7,699,876	6,678,680	31,064,235	26,738,344
- Right-of-use assets	755,285	412,549	1,928,178	1,600,997
- Intangible assets	57,903	57,132	234,995	233,301
Expenses relating to short-term leases	1,268,162	1,039,951	4,471,494	4,745,774
Expenses relating to leases of low-value assets	112,651	12,195	144,858	34,841
(Reversal of)/Impairment loss on:				
- Property, plant and equipment	--	(762)	--	78,635
- Trade receivables	64,533	843	270,048	(86,020)
(Reversal of)/Written off of:				
- Property, plant and equipment	--	145,844	7,728	145,844
- Obsolete and slow-moving inventories	(220,919)	12,195	(174,943)	840,027
(Gain)/Loss on disposal of property, plant and equipment	(13,930)	(84,037)	(299,110)	(120,672)
(Gain)/Loss arising from changes in fair value of:				
- Derivative financial instruments	319,006	--	2,528,722	(1,518,875)
- Other investments	(843,986)	--	(2,457,218)	35,124
Dividend income from other investment	(732,374)	--	(3,738,121)	(629,737)
Personnel expenses (including key management personnel):				
- Contribution to state plans	1,510,310	1,052,039	4,729,055	3,982,363
- Wages, salaries and others	16,645,468	10,328,788	57,312,616	46,919,104
Rental income from subleasing of property	(459,153)	(404,623)	(1,347,307)	(1,656,655)
Rental concession income	--	--	--	(157,091)
Redundancy costs	--	(46,994)	--	4,850,849
Amortisation of deferred income	(67,674)	(67,674)	(270,697)	(270,697)
Net foreign exchange (gain)/ loss	418,375	417,024	(579,522)	448,813
(Gain)/Loss arising from changes in fair value of dairy cows and goats:				
- Malaysian Farm	1,009,401	(316,893)	717,466	(6,881,746)
- Australian Farm	330,752	235,612	(827,768)	(3,068,025)