



FRASER & NEAVE HOLDINGS BHD
(Company No: 196101000155 (4205-V))
(Incorporated in Malaysia)

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For immediate release

QUARTERLY FINANCIAL REPORT

First Quarter Ended 31 December 2025

The Directors are pleased to release the unaudited quarterly financial report for the three months ended 31 December 2025.

The contents of the financial report comprise the following attached unaudited condensed consolidated financial statements, explanatory notes and additional disclosures and these must be read in conjunction with the Group's audited financial statements for the financial year ended 30 September 2025:

Schedule A : Unaudited Condensed Consolidated Income Statement
Schedule B : Unaudited Condensed Consolidated Statement of Comprehensive Income
Schedule C : Unaudited Condensed Consolidated Statement of Financial Position
Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows
Schedule E : Unaudited Condensed Consolidated Statement of Changes in Equity
Schedule F : Selected Explanatory Notes
Schedule G : Additional Disclosures

The unaudited quarterly financial report has been prepared in accordance with the accounting standard on interim financial reporting issued by the Malaysian Accounting Standards Board and contains additional disclosures prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Unless specified otherwise, the same accounting policies and methods of computation applied to the Group's financial statements for the previous financial year had been followed throughout this quarterly financial report.

By Order of the Board
Shah Alam, Selangor
4 February 2026

Schedule A : Unaudited Condensed Consolidated Income Statement

For the three months ended 31 December 2025

RM'000	1st quarter		% chg
	31/12/2025	31/12/2024	
Revenue	1,303,444	1,389,741	-6.2%
Cost of sales	(880,738)	(935,205)	
Gross profit	422,706	454,536	-7.0%
Other income	6,289	29,028	
Net (loss)/gain on impairment of financial instruments	(356)	447	
Operating expenses	(247,622)	(241,052)	
Operating profit	181,017	242,959	-25.5%
Finance income	1,828	6,558	
Finance costs	(7,043)	(9,032)	
Share of profit of equity accounted joint venture, net of tax #	-	5	
Profit before tax	175,802	240,490	-26.9%
Tax expense (Schedule G, Note 5)	(63,483)	(70,105)	
Profit for the period	112,319	170,385	-34.1%
Profit for the period attributable to:			
Owners of the Company	112,189	169,018	-33.6%
Non-controlling interests	130	1,367	
Profit for the period	112,319	170,385	-34.1%
Basic earnings per ordinary share (sen) (Schedule G, Note 10)	30.6	46.1	
Diluted earnings per ordinary share (sen) (Schedule G, Note 10)	30.6	46.0	

The share of results of a joint venture for the Q1 FY2025 refers to Vacaron Company Sdn Bhd and was derived from its unaudited management accounts for the quarter ended 31 December 2024.

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2025.

Schedule B : Unaudited Condensed Consolidated Statement of Comprehensive Income
For the three months ended 31 December 2025

RM'000	1st quarter		% chg
	31/12/2025	31/12/2024	
Profit for the period	112,319	170,385	-34.1%
Other comprehensive income, net of tax:			
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations	2,140	19,631	
Total comprehensive income for the period	114,459	190,016	-39.8%
Total comprehensive income attributable to:			
Owners of the Company	114,320	188,649	-39.4%
Non-controlling interests	139	1,367	
	114,459	190,016	-39.8%

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2025.

Schedule C : Unaudited Condensed Consolidated Statement of Financial Position

As at 31 December 2025

RM'000	31/12/2025	30/09/2025
Non-current assets		
Property, plant and equipment	2,342,337	2,220,810
Right-of-use assets	437,907	440,889
Biological assets (Schedule F, Note 17)	92,624	45,209
Investment properties (Schedule F, Note 17)	63,000	63,000
Properties held for development	52,965	52,965
Intangible assets	422,334	423,767
Deferred tax assets	8,241	8,603
	<u>3,419,408</u>	<u>3,255,243</u>
Current assets		
Trade and other receivables	931,067	898,971
Inventories	783,569	744,138
Derivative financial assets (Schedule F, Note 17)	-	1,707
Cash and cash equivalents	626,114	625,861
	<u>2,340,750</u>	<u>2,270,677</u>
Asset held for sale *	87,865	87,865
	<u>2,428,615</u>	<u>2,358,542</u>
Total assets	5,848,023	5,613,785
Equity		
Share capital and reserves	3,979,019	3,863,266
Non-controlling interests	16,010	15,871
Total equity	3,995,029	3,879,137
Non-current liabilities		
Loans and borrowings (Schedule F, Note 17 and Schedule G, Note 7)	337,000	338,000
Lease liabilities	53,579	54,481
Employee benefits	40,048	39,313
Deferred tax liabilities	133,012	130,111
	<u>563,639</u>	<u>561,905</u>
Current liabilities		
Trade and other payables	913,367	763,041
Contract liabilities	113,753	87,187
Loans and borrowings (Schedule F, Note 17 and Schedule G, Note 7)	164,000	254,000
Lease liabilities	10,099	9,684
Current tax liabilities	87,970	58,831
Derivative financial liabilities (Schedule F, Note 17)	166	-
	<u>1,289,355</u>	<u>1,172,743</u>
Total liabilities	1,852,994	1,734,648
Total equity and liabilities	5,848,023	5,613,785
Net assets per share (RM) attributable to owners of the Company	<u>10.85</u>	<u>10.53</u>

* Relates to proposed disposal of 50% equity interest in Vacaron Company Sdn Bhd, a joint venture company (Schedule F, Note 8)

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2025.

Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows

For the three months ended 31 December 2025

RM'000	1st quarter	
	31/12/2025	31/12/2024
Cash flows from operating activities		
Profit before tax	175,802	240,490
Add/(less) non-cash items:		
- Depreciation of property, plant and equipment and amortisation of intangible assets	35,894	31,574
- Depreciation of right-of-use assets	4,702	4,452
- Depopulation of biological assets	877	-
- Employee share-based expense	1,493	1,634
- Finance income	(1,828)	(6,558)
- Finance costs	7,043	9,032
- Net gain on disposal of property, plant and equipment	66	5
- Net reversal of impairment loss on property, plant and equipment	(382)	(207)
- Property, plant and equipment written off	9	78
- Share of profit of equity-accounted joint venture, net of tax	-	(5)
- Others	687	(1,679)
Changes in working capital	116,302	(51,118)
Tax paid	(31,207)	(39,477)
Net cash from operating activities	309,458	188,221
Cash flows from investing activities		
Acquisition of intangible assets	(241)	(67)
Acquisition of property, plant and equipment	(157,401)	(104,832)
Additions in biological assets	(48,781)	-
Interest received	2,015	5,405
Proceeds from disposal of property, plant and equipment	156	154
Net cash used in investing activities	(204,252)	(99,340)
Cash flows from financing activities		
Interest paid	(15,299)	(13,444)
Payment of lease liabilities	(2,866)	(2,904)
Proceeds from loans and borrowings	160,000	-
Purchase of shares by Share Grant Plan ("SGP") Trust	-	(1,678)
Repayment of loans and borrowings	(251,000)	(1,000)
Net cash used in financing activities	(109,165)	(19,026)
Net (decrease)/increase in cash and cash equivalents	(3,959)	69,855
Effects of exchange rate fluctuations on cash and cash equivalents	4,212	11,866
Cash and cash equivalents at 1 October 2025/2024	625,861	1,134,870
Cash and cash equivalents as at 31 December	626,114	1,216,591
Cash and bank balances	497,689	604,303
Short term deposits with licensed banks with a maturity period of 3 months or less	128,425	612,288
Cash and cash equivalents as at 31 December	626,114	1,216,591

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2025.

Schedule E : Unaudited Condensed Consolidated Interim Statement of Changes in Equity

For the three months ended 31 December 2025

	<----- Attributable to owners of the Company ----->										<----- Non-distributable -----> Distributable	
RM'000	Share capital	Shares held by SGP Trust (Note a)	Loss on purchase of SGP shares for (Note b)	Translation reserve	Share-based payment reserve	Legal reserve	Revaluation reserve	Merger reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 October 2025	816,770	(12,826)	(9,787)	84,241	16,894	9,934	2,282	941	2,954,817	3,863,266	15,871	3,879,137
Total comprehensive income	-	-	-	2,131	-	-	-	-	112,189	114,320	139	114,459
Transaction with owners:												
Employee share-based expense	-	-	-	-	1,433	-	-	-	-	1,433	-	1,433
Total transactions with owners	-	-	-	-	1,433	-	-	-	-	1,433	-	1,433
At 31 December 2025	816,770	(12,826)	(9,787)	86,372	18,327	9,934	2,282	941	3,067,006	3,979,019	16,010	3,995,029
At 1 October 2024	816,770	(16,666)	(7,342)	71,430	18,781	9,934	2,282	-	2,680,820	3,576,009	10,841	3,586,850
Total comprehensive income	-	-	-	19,631	-	-	-	-	169,018	188,649	1,367	190,016
Transactions with owners:												
Employee share-based expense	-	-	-	-	1,585	-	-	-	-	1,585	-	1,585
Purchase of shares by SGP Trust	-	(1,678)	-	-	-	-	-	-	-	(1,678)	-	(1,678)
Total transactions with owners	-	(1,678)	-	-	1,585	-	-	-	-	(93)	-	(93)
At 31 December 2024	816,770	(18,344)	(7,342)	91,061	20,366	9,934	2,282	-	2,849,838	3,764,565	12,208	3,776,773

Note a: The "Shares held by SGP Trust" relates to shares purchased by the Company for the SGP.

Note b: Upon vesting of share awards, there will be a difference between total purchase price paid by SGP Trust to acquire the shares from the open market and the fair value of the share awards granted to employees of subsidiaries. This

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134

1. Corporate information

Fraser & Neave Holdings Bhd ("F&NHB" or "the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group ("interim financial statements") as at and for the three months ended 31 December 2025 comprise the Company and its subsidiaries (collectively referred to as the "Group"), and the Group's interest in a joint venture.

These interim financial statements were approved by the Board of Directors on 4 February 2026.

2. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2025. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2025.

The accounting policies and presentation applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the financial year ended 30 September 2025.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

3. Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* - *Contracts Referencing Nature-dependent Electricity*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* - *Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The adoption of the above standards, interpretations and amendments are not expected to have any material impact on the financial statements in the period of initial application.

4. Auditors' report

The auditors' report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.

5. Comment on seasonality or cyclicity of operation

The Group's performance is normally not affected by seasonal or cyclical events on a year-to-year basis. However, on a quarter-to-quarter basis, the demand for certain products such as beverages, evaporated milk and rice cakes may be skewed towards major festivities and weather pattern.

6. Unusual items due to their nature, size and incidence

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

7. Significant estimates and changes in estimates

There were no significant estimates or changes in estimates that have had any material effect on the results of the current quarter.

8. Investment in a joint venture

RM'000	<u>31/12/2025</u>	<u>30/09/2025</u>
Unquoted shares, at cost	-	129,620
Share of post-acquisition reserves	-	(24,757)
	-	104,863
Interest on shareholder's loan	-	38,294
	-	143,157
Less: Unrealised profit	-	(55,292)
Carrying amount before transfer	-	87,865
Transfer to non-current assets held-for-sale	-	(87,865)
Carrying amount after transfer	-	-

The summarised financial information of the joint venture is as follows:

RM'000	<u>31/12/2025</u>	<u>30/09/2025</u>
Total assets	-	286,502
Total liabilities	-	(76,795)

	1st quarter	
RM'000	<u>31/12/2025</u>	<u>31/12/2024</u>
Revenue	-	-
Profit	-	11

Proposed disposal of 50% equity interest in Vacaron Company Sdn Bhd, a joint venture company

On 25 Sep 2025, the Company had entered into a conditional Heads of Agreement with Tan & Tan Development Berhad for the proposed disposal of its 50% equity interest in Vacaron Company Sdn Bhd, a joint venture company with Frasers Property Holdings (Malaysia) Pte Ltd. Consequently, the Group and the Company transferred the "investment in a joint venture" to "asset held for sale".

9. Issuance or repayments of debt/equity securities

There has been no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter except as disclosed in *Schedule G, Note 7*.

10. Dividends paid

No dividend has been paid in this quarter.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

11. Segmental information

Segment results

For management purposes, the Group's operating businesses are organised according to products and services, namely Food and Beverages Malaysia ("F&B Malaysia"), Food and Beverages Indochina ("F&B Indochina"), Property and Others segments. F&B Indochina ("F&B Indochina"), encompasses operations in Thailand, Cambodia and Laos. 'Others' segment includes subsidiaries whose principal activities are investment holding and provision of management, financial and treasury services. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements, where applicable, are determined on a commercial basis. The results by segments for the current, preceding and last year same quarter are as follows:

RM'000	Revenue				
	F&B Malaysia	F&B Indochina	Property	Others	Total
<u>1st quarter - 31/12/2025</u>					
Total revenue	812,419	495,267	383	30,232	1,338,301
Inter-segment	-	(5,073)	(167)	(29,617)	(34,857)
External	812,419	490,194	216	615	1,303,444
<u>1st quarter - 31/12/2024</u>					
Total revenue	769,331	624,310	647	30,339	1,424,627
Inter-segment	-	(4,755)	(462)	(29,669)	(34,886)
External	769,331	619,555	185	670	1,389,741
<u>4th quarter - 30/09/2025</u>					
Total revenue	731,554	499,266	566	21,902	1,253,288
Inter-segment	-	(4,711)	(354)	(21,222)	(26,287)
External	731,554	494,555	212	680	1,227,001

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

11. Segmental information (cont'd)

Segment results (cont'd)

RM'000	Operating profit/(loss)				
	F&B Malaysia	F&B Indochina	Property	Others	Total
<u>1st quarter - 31/12/2025</u>					
Operating profit/(loss)	86,591	90,954	(244)	3,716	181,017
Finance income					1,828
Finance costs					(7,043)
Profit before tax					<u>175,802</u>
<u>1st quarter - 31/12/2024</u>					
Operating profit/(loss)	101,428	133,315	(308)	8,524	242,959
Finance income					6,558
Finance costs					(9,032)
Share of results of a joint venture					5
Profit before tax					<u>240,490</u>
<u>4th quarter - 30/09/2025</u>					
Operating profit/(loss)	79,943	106,628	(1,635)	(11,136)	173,800
Finance income					3,731
Finance costs					(8,433)
Share of results of a joint venture					(30)
Profit before tax					<u>169,068</u>

Segment assets

The total of segment assets is measured based on all assets excluding cash and cash equivalents.

RM'000	<u>31/12/2025</u>	<u>30/09/2025</u>
F&B Malaysia	3,954,542	3,736,081
F&B Indochina	1,030,023	950,575
Property	194,114	194,312
Others	43,230	106,956
	<u>5,221,909</u>	<u>4,987,924</u>

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

11. Segmental information (cont'd)

Segment liabilities

The total of segment liabilities is measured based on all liabilities excluding loans and borrowings.

RM'000	31/12/2025	30/09/2025
F&B Malaysia	926,764	771,617
F&B Indochina	396,342	349,365
Property	848	1,035
Others	28,040	20,631
	<u>1,351,994</u>	<u>1,142,648</u>

Group financing (including finance costs), cash and cash equivalents and loans and borrowings are managed on a group basis and are not allocated to operating segments.

12. Significant events during the quarter

There were no significant events that have not been reflected in the current quarter.

13. Subsequent events

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

14. Changes in the composition of the Group during the quarter

There were no changes in the composition of the Group during the quarter.

15. Contingent liabilities

There were no contingent liabilities of a material nature since the last annual reporting date.

16. Contingent assets

There were no contingent assets of a material nature since the last annual reporting date.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

17. Fair value information

Financial instruments

The carrying amounts of cash and cash equivalents, short-term receivables and payables, and short-term loans and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. The carrying amount of floating long-term loans and borrowings approximate its fair value as it is floating rate instruments that are re-priced to market interest rates on or near the reporting date. The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with fair values and carrying amounts shown in the statements of financial position.

RM'000	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
31/12/2025				
<u>Financial liabilities</u>				
Derivative financial liabilities	166	-	166	166
Fixed-rate loans and borrowings	-	245,907	245,907	250,000
	166	245,907	246,073	250,166
30/09/2025				
<u>Financial asset</u>				
Derivative financial assets	1,707	-	1,707	1,707
<u>Financial liabilities</u>				
Fixed-rate loans and borrowings	-	252,313	252,313	250,000

There was no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset during the quarter.

Non-financial assets

As at the reporting date, the Group's biological assets and investment properties were measured at fair value under Level 3 of the fair value hierarchy based on significant unobservable inputs.

RM'000	Level 3	
	31/12/2025	30/09/2025
Biological assets	92,624	45,209
Investment properties	63,000	63,000

There were no transfers between levels during the period.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

18. Capital commitments

The outstanding capital commitments are as follows:

RM'000	<u>31/12/2025</u>	<u>30/09/2025</u>
<u>Property, plant and equipment</u>		
Contracted but not provided for	<u>418,995</u>	<u>472,367</u>

19. Related party disclosures

Significant related party transactions

Related party transactions had been entered into in the ordinary course of business on normal commercial terms. The following are significant related party transactions:

RM'000	1st quarter	
	<u>31/12/2025</u>	<u>31/12/2024</u>
<u>Fraser and Neave, Limited Group</u>		
Sales of goods	43,182	47,516
Purchases of goods	(45,908)	(61,768)
Royalties paid	(21,067)	(21,475)
<u>Thai Beverage Public Company Limited Group</u>		
Sales of goods	10,683	2,788
Purchases of goods	(929)	(1,053)
Marketing expenses	(3,356)	(3,548)
Logistic expenses	(5,440)	(4,299)
<u>Berli Jucker Public Company Limited Group</u>		
Sales of goods	17,853	18,048
Purchases of goods	(1,467)	(730)
<u>Fraser Property Limited Group</u>		
Rental expenses	(1,630)	(1,550)
<u>Other related parties</u>		
Purchases of goods	(10,021)	(17,132)
<u>Compensation</u>		
Compensation of key management personnel of the Group	(5,666)	(9,691)
Directors' fees and remuneration	(416)	(401)

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

19. Related party disclosures (cont'd)

Related party balances

The related party balances are shown below:

RM'000	<u>31/12/2025</u>	<u>30/09/2025</u>
<u>Amount due from related parties</u>		
Fraser and Neave, Limited Group	39,936	48,331
Frasers Property Limited Group	14	2
Vacaron Company Sdn Bhd	2,516	38,305
Thai Beverage Public Company Limited Group	4,893	2,034
Berli Jucker Public Company Limited Group	14,072	12,575
Other related parties	16	33
<u>Amount due to related parties</u>		
Fraser and Neave, Limited Group	(59,515)	(42,164)
Frasers Property Limited Group	(538)	(624)
Thai Beverage Public Company Limited Group	(9,409)	(11,859)
Berli Jucker Public Company Limited Group	(1,428)	(522)
Other related parties	(3,073)	(2,456)

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements

1. Operations review

Current quarter ended 31 December 2025 vs corresponding quarter ended 31 December 2024

Group

RM'000	1st quarter		% chg
	31/12/2025	31/12/2024	
Revenue	1,303,444	1,389,741	-6.2%
Operating profit	181,017	242,959	-25.5%
Adjusted operating profit *	179,792	242,944	-26.0%
Profit before tax	175,802	240,490	-26.9%
Adjusted profit before tax *	174,577	240,475	-27.4%
Profit after tax	112,319	170,385	-34.1%
Adjusted profit after tax	111,207	170,374	-34.7%
<u>* Adjustments for one-off non-operating items</u>			
Flood related item:			
Insurance claim related to flood	(1,075)	-	
Restructuring costs	(150)	(15)	
	<u>(1,225)</u>	<u>(15)</u>	

The Group recorded revenue of RM1,303.4 million in Q1 FY2026 (Q1 FY2025: RM1,389.7 million), reflecting mixed performance from F&B Malaysia and F&B Indochina. Despite certain channel activities shifting to Q2 FY2026 due to this year's later Chinese New Year shopping window, F&B Malaysia achieved 5.6% revenue growth, which partially offset the 20.9% decline in F&B Indochina due to softer market conditions and prolonged border closures. As a result, Group revenue eased 6.2% year-on-year.

Group operating profit declined by 25.5% to RM181.0 million (Q1 FY2025: RM243.0 million), mainly due to unfavourable forex impact of RM26.5 million (Q1 FY2026: forex losses of RM7.7 million, Q1 FY2025: forex gains of RM18.8 million). Excluding forex impact, Group operating profit declined by 15.8%.

F&B Malaysia's operating profit, excluding forex impact, was broadly in line with the corresponding quarter, supported by increased brand investments. Operational costs at the integrated dairy farm remained stable as operations continued to scale up. In contrast, F&B Indochina's operating profit weakened by 31.8% (RM42.3 million), in tandem with the decline in revenue.

Group profit after tax for Q1 FY2026 decreased by 34.1% to RM112.3 million (Q1 FY2025: RM170.4 million) attributed to lower profit from operations, reduced finance income and a higher effective tax rate (driven by higher withholding tax and non-recognition of deferred tax assets in respect of the dairy farm losses).

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

1. Operations review (cont'd)

Current quarter ended 31 December 2025 vs corresponding quarter ended 31 December 2024 (cont'd)

• F&B Malaysia

RM'000	1st quarter		% chg
	31/12/2025	31/12/2024	
Revenue	812,419	769,331	5.6%
Operating profit	86,591	101,428	-14.6%
<u>Adjustments for one-off non-operating items</u>			
Flood related items:			
Insurance claim related to flood	(1,075)	-	
Restructuring costs	(150)	(15)	
	(1,225)	(15)	
Adjusted operating profit	85,366	101,413	-15.8%

F&B Malaysia delivered 5.6% year-on-year revenue growth in Q1 FY2026 (Q1 FY2025: RM769.3 million), supported by broad-based improvement across key segments. Export revenue posted double-digit growth, driven by sustained momentum in major markets, particularly across Africa. Domestic performance also improved, underpinned by the recovery in East Malaysia market and wider distribution into the HORECA segment.

The dairy portfolio registered strong growth, supported by improved canned milk sales and increased product listings for the Magnolia liquid milk category, in addition to the ongoing ramp-up of the integrated dairy farm and contributions from the school milk programme. In the beverages and food segment, certain channel activities shifted to the next quarter in line with this year's later Chinese New Year shopping window.

Despite stronger revenue, F&B Malaysia's operating profit declined by 14.6% to RM86.6 million (Q1 FY2025: RM101.4 million), mainly due to unfavourable forex impact of RM14.8 million arising from the weaker US Dollar. Operational costs at the integrated dairy farm remained stable as the operations continue to scale up.

Excluding forex impact, F&B Malaysia would have delivered operating profit at par with the corresponding period, as volume growth offset softer margins arising from its strategic pivot from value capture to market share capture, supported by favourable input costs and increased brand investments.

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

1. Operations review (cont'd)

Current quarter ended 31 December 2025 vs corresponding quarter ended 31 December 2024 (cont'd)

• F&B Indochina

<u>RM'000</u>	1st quarter		<u>% chg</u>
	<u>31/12/2025</u>	<u>31/12/2024</u>	
Revenue	490,194	619,555	-20.9%
Operating profit	90,954	133,315	-31.8%

F&B Indochina's revenue declined by 20.9% year-on-year to RM490.2 million (Q1 FY2025: RM619.6 million), mainly due to the weak economic environment in Thailand, reduced trade stocking and severe flooding in the southern region. Continued border closures between Thailand and Cambodia further disrupted exports into Cambodia. These headwinds were partially mitigated by higher OEM sales.

Correspondingly, F&B Indochina's operating profit declined by 31.8% to RM91.0 million (Q1 FY2025: RM133.3 million), attributable to lower revenue, unfavourable forex impact of RM6.7 million (Q1 FY2026: forex losses of RM4.4 million; Q1 FY2025: forex gains of RM2.3 million) and higher overheads from the set-up of new manufacturing operations in Cambodia, partly offset by favourable input costs.

• Others

<u>RM'000</u>	1st quarter		<u>% chg</u>
	<u>31/12/2025</u>	<u>31/12/2024</u>	
Revenue	615	670	-8.2%
Operating profit	3,716	8,524	-56.4%

Revenue in Others segment mainly relates to corporate service fees.

Others segment's operating profit for Q1 FY2026 reduced to RM3.7 million (Q1 FY2025: RM8.5 million) mainly due to lower forex gains of RM5.0 million compared to corresponding quarter (Q1 FY2026: forex gains of RM0.3 million, Q1 FY2025: forex gains of RM5.3 million).

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

2. Comment on material change in Group profit before tax for the quarter ended 31 December 2025 vs preceding 4th quarter ("Q4") ended 30 September 2025

Group

RM'000	Individual quarter		% chg
	31/12/2025	30/09/2025	
Revenue	1,303,444	1,227,001	6.2%
Operating profit	181,017	173,800	4.2%
Adjusted operating profit *	179,792	179,645	0.1%
Profit before tax	175,802	169,068	4.0%
Adjusted profit before tax *	174,577	174,913	-0.2%
* <u>Adjustments for one-off non-operating items</u>			
Insurance claim related to flood	(1,075)	(727)	
Restructuring costs	(150)	6,572	
	<u>(1,225)</u>	<u>5,845</u>	

The Group's revenue for Q1 FY2026 grew by 6.2% to RM1,303.4 million (Q1 FY2025: RM1,227.0 million), driven mainly by higher F&B Malaysia sales from commencement of festive sell-in activities in selected channels and sales recovery in East Malaysia, while revenue for F&B Indochina was flat (in THB terms) amidst the continuing Thai-Cambodia border closures.

The Group's profit before tax rose 4.0% to RM175.8 million (Q1 FY2025: RM169.1 million) on the back of higher sales. Excluding one-off non-operating items in both current and preceding quarters, adjusted operating profit is flat due to unfavourable forex impact of RM8.9 million (Q1 FY2026: forex losses of RM7.7 million, Q4 FY2025: forex gains of RM1.2 million) as well as higher marketing spend and promotional campaigns to drive festive sales in the current quarter.

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

3. Prospects

The Group recorded a softer performance in Q1 FY2026, with lower revenue and operating profit reflecting mixed results across F&B Malaysia and F&B Indochina. F&B Malaysia delivered steady growth despite certain channel activities shifting to Q2 FY2026 due to this year's later Chinese New Year shopping window, supported by stronger exports and a recovery in the East Malaysia market. In contrast, F&B Indochina continued to be weighed down by softer market conditions and prolonged border closures in Cambodia. Group profitability was mainly impacted by unfavourable forex movements and the weaker performance in F&B Indochina. Excluding forex impact, F&B Malaysia's operating profit remained broadly comparable to the corresponding quarter last year.

Looking ahead, conditions in F&B Indochina are expected to stabilise as economic activity normalises and trade channels in Thailand replenish stock levels. The new dairy manufacturing facility in Cambodia, which is expected to become operational by end-March 2026, would help restore supply continuity and, together with exports from Malaysia, support an improvement in sales in Cambodia. While currency volatility remains a headwind, its impact is expected to moderate over the coming quarters, supported by continued cost discipline, operational efficiencies and hedging strategies.

F&B Malaysia's contribution to the Group's performance is expected to be stable and help mitigate softness from F&B Indochina as conditions there gradually improve. The second quarter will benefit from the overlapping Chinese New Year and Hari Raya sell-in cycles, together with continued brand-building initiatives and the wider distribution of Magnolia fresh milk.

With the commencement of commercial operations at the new dairy manufacturing plant at F&N AgriValley in January 2026, the productivity of the integrated dairy farm is expected to be progressively enhanced as herd size, crop yields and utilisation increase. Milk supply from the farm will also support BEAR BRAND production for export to Cambodia, strengthening supply resilience in the region.

The Group remains focused on enhancing competitiveness through innovation, diversification and operational transformation. While geopolitical, macroeconomic, currency and commodity related headwinds are expected to persist, the Group's strong balance sheet, healthy operating cash flow, disciplined cost and asset management and active hedging continue to provide resilience. Key priorities for FY2026 include increasing market share, enhancing supply continuity across Indochina and advancing strategic investments to broaden consumer reach and support sustainable value creation.

4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter in a public document.

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

5. Tax expense

The details of the tax expense are as follows:

RM'000	1st quarter	
	31/12/2025	31/12/2024
Current income tax	60,208	63,201
Deferred tax – origination and reversal of temporary differences	2,687	8,818
Under/(Over) provision in respect of previous years		
- Income tax	-	(131)
- Deferred tax	588	(1,783)
	<u>63,483</u>	<u>70,105</u>

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

RM'000	1st quarter	
	31/12/2025	31/12/2024
Profit before tax	<u>175,802</u>	<u>240,490</u>
Tax at Malaysian statutory tax rate of 24% (FY2025: 24%)	42,192	57,718
Effect of tax rates in foreign jurisdictions	(3,791)	(5,600)
Tax exempt income	(1,875)	(2,367)
Non-deductible expenses	3,748	4,392
Deferred tax assets not recognised	4,107	-
Under/(Over) provision of income and deferred tax in prior years	588	(1,914)
Foreign withholding tax	18,514	17,877
Others	-	(1)
Total income tax expense	<u>63,483</u>	<u>70,105</u>
Effective income tax rate	<u>36.1%</u>	<u>29.2%</u>

The effective income tax rate for Q1 FY2026 was higher at 36.1% (Q1 FY2025: 29.2%), primarily due to deferred tax assets not recognised in respect of dairy farm losses and higher foreign withholding tax.

6. Status of corporate proposals

There were no outstanding corporate proposals or announcements made in the current quarter.

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

7. Loans and borrowings

The details of the Group's loans and borrowings are as follows:

RM'000	Currency	31/12/2025	30/09/2025
<u>Non-current (unsecured)</u>			
Islamic Medium Term Notes	RM	250,000	250,000
Term loan	RM	87,000	88,000
		<u>337,000</u>	<u>338,000</u>
<u>Current (unsecured)</u>			
Islamic Commercial Papers	RM	160,000	-
Islamic Medium Term Notes	RM	-	250,000
Term loan	RM	4,000	4,000
		<u>164,000</u>	<u>254,000</u>
Total loans and borrowings		<u>501,000</u>	<u>592,000</u>

Islamic Commercial Papers ("ICP") and Islamic Medium Term Notes ("IMTN") programmes of RM3,000,000,000

A subsidiary of the Company, F&N Capital Sdn Bhd ("the Issuer"), had established an Islamic Commercial Papers ("ICP") Programme ("ICP Programme") and an Islamic Medium Term Notes ("IMTN") Programme ("IMTN Programme") both based on the Shariah principle of Murabahah (via a Tawarruq arrangement) with a combined limit of up to RM3,000,000,000 in nominal value and guaranteed by the Company. The ICP Programme has a tenure of seven years from the first issue date (30 August 2021) whilst the tenure of the IMTN Programme is perpetual.

The proceeds from the ICP Programme and the IMTN Programme shall be advanced to companies within the F&NHB Group for Shariah-compliant general corporate purposes of the Group and the refinancing of any existing borrowings/financings/corporate bonds/Sukuk issues and/or future Sukuk issues/Shariah-compliant financings of the Group. The utilisation of proceeds of these programmes shall at all times be for Shariah-compliant purposes.

On 5 October 2022, the Issuer had issued the third and fourth tranche of IMTN of RM250,000,000 each with a tenure of three and five years from the issued date and profit rates of 4.21% and 4.68% per annum, respectively. The proceeds from issuance of the IMTNs were used to partially finance the acquisition of the entire equity interest in Cocoaland Holdings Berhad not already owned by the Company and for working capital purposes. The third tranche of IMTN of RM250,000,000 was fully repaid during the quarter.

On 1 October 2025, the Issuer had issued the second tranche of ICP amounting to RM160,000,000 with a tenure of 3 months from the issue date and a profit rate of 3.33%. The proceeds from this ICP were used for working capital purposes. This ICP was fully repaid during the quarter.

On 30 December 2025, the Issuer had issued the third tranche of ICP amounting to RM160,000,000 with a tenure of 6 months from the issue date and a profit rate of 3.36%. The proceeds from this ICP were used for working capital purposes.

As at 31 December 2025, the outstanding IMTN and ICP amounted to RM410,000,000 (2025: RM500,000,000).

As at 31 December 2025, the unutilised ICP Programme and IMTN Programme available for use amounted to RM2,590,000,000 (2025: RM2,500,000,000).

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

7. Loans and borrowings (cont'd)

Term loan of RM100,000,000

On 25 July 2022, a subsidiary of the Company, DSSB was granted a term loan of RM100,000,000 with a tenure of up to seven years from the date of the first drawdown of the facility. DSSB had made full drawdown of the term loan on 22 August 2022. The proceeds from this term loan were used to partially finance the acquisition of Ladang Permai Damai Sdn Bhd. The term loan is subject to floating interest rates ranging from 4.96% to 5.00% (2025: 5.23% to 5.33%) per annum. As at 31 December 2025, the outstanding term loan amounted to RM91,000,000 (2025:RM92,000,000).

8. Material litigation

There is no material litigation to be disclosed in these interim financial statements.

9. Proposed Dividend

A final single tier dividend of 35.0 sen per share (2024: 33.0 sen per share) for financial year ended 30 September 2025 was approved by shareholders at the Annual General Meeting of the Company on 22 January 2026. This dividend amounting to approximately RM128.4 million is payable on 10 February 2026 (entitlement date for the dividend is 26 January 2026).

10. Earnings per ordinary share (EPS)

- (a) The calculation of basic earnings per ordinary share at 31 December 2025 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1st quarter	
	31/12/2025	31/12/2024
Profit for the period attributed to owners of the Company (RM'000)	112,189	169,018
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,335	366,315
Basic earnings per ordinary share (sen)	30.6	46.1

- (b) The calculation of diluted earnings per ordinary share at 31 December 2025 was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	1st quarter	
	31/12/2025	31/12/2024
Profit for the period attributed to owners of the Company (RM'000)	112,189	169,018
Weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	366,335	366,315
Adjustments pursuant to the SGP ('000)	745	991
Adjusted weighted average number of ordinary shares net of treasury shares and shares held by SGP Trust ('000)	367,080	367,306
Diluted earnings per ordinary share (sen)	30.6	46.0

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

11. Notes to the Condensed Consolidated Income Statement

Profit before tax is arrived at after charging/(crediting) the following items:

RM'000	1st quarter	
	<u>31/12/2025</u>	<u>31/12/2024</u>
(a) Bad debts recovered	(3)	(6)
(b) Depreciation of property, plant and equipment and amortisation of intangible assets	35,894	31,574
(c) Depreciation of right-of-use assets	4,702	4,452
(d) Insurance claim received/receivable	(1,075)	-
(e) Inventories written off	2,595	3,603
(f) Depopulation of biological assets	877	-
(g) Net fair value loss/(gain) on derivatives	1,873	(1,830)
(h) Net reversal of impairment loss on property, plant and equipment	(382)	(207)
(i) Net impairment loss/(reversal of impairment loss) on receivables	356	(447)
(j) Net (reversal of inventories written down)/inventories written down	(774)	948
(k) Net loss on disposal/write-offs of property, plant and equipment	75	83
(l) Net loss/(gain) on foreign exchange	5,875	(16,954)

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

12. Outstanding derivatives

- (a) Outstanding derivatives consist of foreign exchange contracts which are measured at fair value together with their corresponding notional value amounts as follows:

	31/12/2025		30/09/2025	
	Notional value	Fair value	Notional value	Fair value
	RM'000		RM'000	
Forward foreign exchange contracts (less than 1 year)				
USD ('000)	1,500	(139)	500	40
AUD ('000)	411	(27)	1,007	13
THB ('000)	-	-	720,000	1,654
		(166)		1,707

There is no significant change for the financial derivatives in respect of the following since the financial year ended 30 September 2025:

- (i) The credit risk, market risk and liquidity risk associated with these financial derivatives;
 - (ii) The cash requirements of the financial derivatives;
 - (iii) The policy in place for mitigating or controlling the risks associated with these financial derivatives; and
 - (iv) The related accounting policies.
- (b) Disclosure of gains/loss arising from fair value changes of derivative financial instruments

During the current period, the Group recognised a total net loss of RM1,873,000 (2025: net gain of RM1,830,000) in the consolidated income statement arising from the fair value changes on the foreign exchange contracts which are marked-to-market as at 31 December 2025.