



# **FARM PRICE HOLDINGS BERHAD**

*(Registration No. 202301019404 (1513326-T))  
(Incorporated in Malaysia under the Companies Act 2016)*

## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

# FARM PRICE HOLDINGS BERHAD

(Registration No: 202301019404 (1513326-T))

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.03.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 31.03.2023 <sup>(2)</sup> Unaudited RM'000	CURRENT YEAR-TO- DATE 31.03.2024 Unaudited RM'000	PRECEDING YEAR-TO- DATE 31.03.2023 <sup>(2)</sup> Unaudited RM'000
Revenue	30,710	N/A	30,710	N/A
Cost of sales	(23,661)	N/A	(23,661)	N/A
<b>Gross profit</b>	<b>7,049</b>	<b>N/A</b>	<b>7,049</b>	<b>N/A</b>
Other income	220	N/A	220	N/A
Administrative expenses	(3,790)	N/A	(3,790)	N/A
Net reversal/(loss) on impairment of financial assets	-	N/A	-	N/A
Other expenses	-	N/A	-	N/A
<b>Profit from operations</b>	<b>3,479</b>	<b>N/A</b>	<b>3,479</b>	<b>N/A</b>
Finance costs	(133)	N/A	(133)	N/A
<b>Profit before tax ("PBT")</b>	<b>3,346</b>	<b>N/A</b>	<b>3,346</b>	<b>N/A</b>
Taxation	(690)	N/A	(690)	N/A
<b>Profit after tax ("PAT")</b>	<b>2,656</b>	<b>N/A</b>	<b>2,656</b>	<b>N/A</b>
Other comprehensive income	12	N/A	12	N/A
<b>Total comprehensive income for the financial years/periods</b>	<b>2,668</b>	<b>N/A</b>	<b>2,668</b>	<b>N/A</b>
<b>Total comprehensive income for the financial years / periods attributable to:</b>				
Owners of the company	2,668	N/A	2,668	N/A
Non-controlling interest	-		-	
	<b>2,668</b>	<b>N/A</b>	<b>2,668</b>	<b>N/A</b>
Basic and diluted earnings per share (sen) <sup>(3) (4)</sup>	0.01	N/A	0.01	N/A

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(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 24 April 2024 and the accompanying explanatory notes attached in the interim financial report.
  - (2) This is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
  - (3) Computed based on profit attributable to owners of the Company divided by the number of ordinary shares ("**Shares**") of 348,000,000 before the Initial Public Offering ("**IPO**") of the Company.
  - (4) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.
- N/A Not applicable.

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# FARM PRICE HOLDINGS BERHAD

(Registration No: 202301019404 (1513326-T))

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>

	UNAUDITED 31.03.2024 RM'000	AUDITED <sup>(3)</sup> 31.12.2023 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant, and equipment	25,375	25,022
Investment properties	-	522
	<b>25,375</b>	<b>25,544</b>
<b>Current Assets</b>		
Inventories	4,023	4,821
Current tax assets	198	167
Trade and other receivables	15,305	14,223
Cash and bank balances	5,221	3,705
	<b>24,747</b>	<b>22,916</b>
<b>TOTAL ASSETS</b>	<b>50,122</b>	<b>48,460</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital/Invested equity	15,973	3,791
Exchange reserve	155	143
Reorganisation reserve	(12,182)	-
Retained earnings	23,419	20,763
<b>TOTAL EQUITY</b>	<b>27,365</b>	<b>24,697</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	8,994	9,457
Deferred tax liabilities	916	916
	<b>9,910</b>	<b>10,373</b>
<b>Current Liabilities</b>		
Loans and borrowings	2,744	3,588
Current tax liabilities	1,659	1,662
Trade and other payables	8,444	8,140
	<b>12,847</b>	<b>13,390</b>
<b>TOTAL LIABILITIES</b>	<b>22,757</b>	<b>23,763</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,122</b>	<b>48,460</b>
Net assets ("NA") per share (RM) <sup>(2)</sup>	0.08	0.07

# FARM PRICE HOLDINGS BERHAD

(Registration No: 202301019404 (1513326-T))

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>

### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 24 April 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) Computed based on total equity attributable to owners of the Company divided by the number of ordinary shares of 348,000,000 before the IPO.
- (3) No comparative figures for the preceding year's quarter are available as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2024 announced by the Company in compliance with the Listing Requirements.

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# FARM PRICE HOLDINGS BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1) (2)</sup>

	INVESTED EQUITY/ SHARE CAPITAL RM'000	EXCHANGE RESERVES RM'000	REORGANISATION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
<b>Balance as at 1 January 2024</b>	3,791	143	-	20,763	24,697
Profit for the financial period	-	-	-	2,656	2,656
Other comprehensive income for the financial period	-	12	-	-	12
Total comprehensive income for the financial period	-	12	-	2,656	2,668
Transactions with owners:					
- Issuance of shares for acquisition of subsidiaries	15,973	-	(15,973)	-	-
- Reorganisation reserve	(3,791)	-	3,791	-	-
<b>Balance as at 31 March 2024 (Unaudited)</b>	<b>15,973</b>	<b>155</b>	<b>(12,182)</b>	<b>23,419</b>	<b>27,365</b>

### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 24 April 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

# FARM PRICE HOLDINGS BERHAD

(Registration No: 202301019404 (1513326-T))

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	CURRENT YEAR- TO-DATE 31.03.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.03.2023 <sup>(2)</sup> Unaudited RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
PBT	3,346	N/A
Adjustments for:		
Depreciation on property, plant and equipment	450	N/A
Property, plant and equipment written off	*	
Net unrealised foreign exchange gain	(9)	
Finance costs	133	N/A
Finance income	(3)	N/A
<b>Operating profit before changes in working capital</b>	<b>3,917</b>	<b>N/A</b>
Changes in working capital:		
Inventories	798	N/A
Trade and other receivables	(1,064)	N/A
Trade and other payables	300	N/A
Net cash generated from operations	3,951	N/A
Income tax paid	(725)	N/A
Interest received	3	N/A
<b>Net cash from operating activities</b>	<b>3,229</b>	<b>N/A</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(84)	N/A
Change in pledged deposit	(300)	N/A
<b>Net cash used in investing activities</b>	<b>(384)</b>	<b>N/A</b>

# FARM PRICE HOLDINGS BERHAD

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(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	CURRENT YEAR- TO-DATE 31.03.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 31.03.2023 <sup>(2)</sup> Unaudited RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(341)	N/A
Drawdown of bankers' acceptances	367	N/A
Repayment of bankers' acceptances	(1,242)	N/A
Payment of lease liabilities	(288)	N/A
Interests paid	(133)	N/A
<b>Net cash used in financing activities</b>	<b>(1,637)</b>	<b>N/A</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,208	N/A
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	3,705	N/A
Effect of exchange rate changes on cash and cash equivalents	8	N/A
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>4,921</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:</b>		
Cash and bank balances	4,921	N/A
Fixed deposits with licensed banks	300	N/A
Other investment	-	N/A
Bank overdraft	-	N/A
	5,221	N/A
Less: Cash collateral pledged with licensed banks	-	N/A
Less: Fixed deposits pledged with licensed banks	(300)	N/A
	<b>4,921</b>	<b>N/A</b>

Notes:

\* Amount is less than RM1,000.

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 24 April 2024 and the accompanying explanatory notes attached in the interim financial report.

(2) This is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.



# FARM PRICE HOLDINGS BERHAD

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## A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING

### A1 Basis of preparation

The interim financial statements of Farm Price Holdings Berhad (“**Farm Price Holdings**” or the “**Company**”) and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the requirements of the MFRS 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements.

This is the first interim financial report on the Group’s unaudited condensed consolidated interim financial statements for the first quarter ended 31 March 2024 being announced by the Group in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding corresponding period.

This interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 24 April 2024 and the accompanying explanatory notes attached to this interim financial report.

### A2 Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus dated 24 April 2024, except for the adoption of the following accounting standards and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“**MASB**”):

#### **Amendments to MFRSs adopted**

For the preparation of the financial statement, the following accounting standards and amendments of the MFRS framework issued by the MASB are mandatory for the first time for the current financial period:

- Amendments to MFRS 7 Financial Instruments: Disclosures
- Amendments to MFRS 16 Leases
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 107 Statement of Cash Flows

The adoption of the abovementioned accounting standards and amendments are not expected to have any material impact on the financial statements of the Group.

#### **Amendments to MFRSs that have been issued, but yet to be effective**

The Group has not adopted the following amendments to MFRS effective for financial periods beginning on or after 1 January 2025:

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect on the financial statements of the Group upon their initial application.

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## **A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)**

### **A3 Auditors' report on preceding annual financial statements**

The Company was incorporated on 23 May 2023 as a private company limited by shares and was subsequently converted into a public company on 26 June 2023. The audited financial statements of the Group for the financial year ended 31 December 2023 were not subject to any qualification.

### **A4 Seasonal or cyclical factors**

The Group's business operations for the current financial quarter under review experienced higher sales in January mainly due to festive seasons of New Year and Chinese New Year.

### **A5 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows of the Group, that are unusual by reason of their nature, size or incidence for the financial quarter under review.

### **A6 Material changes in estimates**

There were no material changes in estimates which have a material effect on the results for the financial quarter under review.

### **A7 Debt and equity securities**

Save as disclosed in Note B6 below, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review.

### **A8 Dividend paid**

There was no dividend paid during the current financial quarter under review.

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## A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

### A9 Segment information

The segmental reporting of the Group's result for the financial year-to-date is as follows:

#### BUSINESS SEGMENT

	Wholesale distribution RM'000	Retailing segment RM'000	Adjustment and elimination RM'000	Total RM'000
<b>Revenue</b>				
Revenue from external customers	27,986	2,724		30,710
Internal-segment revenue	8,620	-	(8,620)	-
External revenue	<u>36,606</u>	<u>2,724</u>	<u>(8,620)</u>	<u>30,710</u>
<b>Segment profit</b>	6,248	801		7,049
Other income				220
Administrative expenses				(3,790)
Finance costs				(133)
Income tax expense				<u>(690)</u>
Profit for the financial period				<u>2,656</u>

This is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.

# FARM PRICE HOLDINGS BERHAD

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## **A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)**

### **A10 Valuation of property, plant and equipment**

There was no valuation of property, plant and equipment undertaken during the current financial quarter under review.

### **A11 Significant events subsequent to the end of the interim financial period**

Save as disclosed in Note B6 below, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

### **A12 Changes in the composition of the Group**

Save as disclosed in Note B6 below, there were no changes in the composition of the Group during the current financial quarter under review.

### **A13 Fair value of financial instruments**

There were no gain or loss arising from fair value changes of financial assets and liabilities for the current financial quarter under review.

### **A14 Capital commitments**

The Group has made commitments for the capital expenditures of property, plant and equipment of RM0.14 million.

### **A15 Contingent assets and contingent liabilities**

There were no contingent assets or contingent liabilities as at the end of the financial quarter under review.

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## A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

### A16 Significant related party transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions with related parties of the Group during the current financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	QUARTER	CORRESPONDING	YEAR-TO-DATE	YEAR-TO-DATE
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<b>Transactions with related parties</b>				
Sales of goods	101	N/A	101	N/A
Purchase of goods	12	N/A	12	N/A
Rental expense	10	N/A	10	N/A
Transportation fee	18	N/A	18	N/A

This is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.

# FARM PRICE HOLDINGS BERHAD

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

### B1 Review of performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.03.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 31.03.2023 Unaudited RM'000	CURRENT YEAR-TO-DATE 31.03.2024 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.03.2023 Unaudited RM'000
Revenue	30,710	N/A	30,710	N/A
Gross Profit	7,049	N/A	7,049	N/A
PBT	3,346	N/A	3,346	N/A
PAT	2,656	N/A	2,656	N/A
Adjusted PBT <sup>(1)</sup>	3,821	N/A	3,821	N/A
Adjusted PAT <sup>(1)</sup>	3,017	N/A	3,017	N/A

#### Note:

- (1) After adjusting for the expenses incurred for the listing of Farm Price Holdings on the ACE Market of Bursa Securities ("**Listing**") of RM0.48 million and incidental tax adjustments (if applicable) for the first quarter ended 31 March 2024.

There are no comparative figures for the preceding corresponding quarter and year-to-date results as this is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the Listing Requirements of Bursa Securities.

The Group recorded revenue of RM30.71 million for the current financial quarter ended 31 March 2024 derived from the wholesale distribution and retailing segment which contributed RM27.99 million or 91.14% and RM2.72 million or 8.86% of the total revenue, respectively.

The Group registered a PBT and PBT margin of RM3.35 million and 10.90% respectively in the current financial quarter. The Group also registered a PAT and PAT margin of RM2.66 million and 8.65% respectively in the current financial quarter.

For the first quarter ended 31 March 2024, if the expenses incurred for the Listing of RM0.48 million were excluded, the Group would have recorded an adjusted PBT of RM3.82 million and an adjusted PBT margin of 12.44%. Correspondingly, the Group also recorded an adjusted PAT of RM3.02 million and an adjusted PAT margin of 9.82%.

### B2 Variation of results against the preceding quarter

There are no comparative figures for the preceding corresponding quarter as this is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the Listing Requirements of Bursa Securities.

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## **B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

### **B3 Prospects**

The Malaysian economy grew by 3.7% despite facing challenges stemming from weak external demand, disruptions in commodity production and higher cost of living. The growth performance was driven by resilient domestic demand, particularly by private sector expenditure. Household spending continued to expand with improvements in labour market conditions. Necessities expenditure recorded a growth of 6.7% largely driven by transport, utilities and food and beverage spending, while discretionary expenditure expanded by 5% led by restaurant and hotel spending. Moving forward, the Malaysian economy is projected to grow between 4.0%–5.0% in 2024, underpinned by continued expansion in domestic demand and improvement in external demand. Growth will be driven by resilient domestic expenditure, with additional support from the expected recovery in exports (*Source: Bank Negara Malaysia's Economic and Monetary Review 2023*).

Based on the IMR report dated 1 April 2024, the fresh vegetables are regarded as an essential industry in terms of sustenance of life, health and cost of living. As such, the fresh vegetables industry is part of the Malaysia's food security agenda. In 2022, vegetable industry accounted for 8.9% of the agriculture sector's gross domestic product (GDP) in Malaysia. The large market size of the fresh vegetable industry in Malaysia based on consumption amounted to RM7.6 billion in 2023. This would continue to provide growth opportunities for operators in the industry. In addition, on the supply side of the fresh vegetable industry, Malaysia's domestic production and import values were RM4.4 billion and RM4.1 billion respectively in 2023.

Over the next three years, as disclosed in Section 6.20 of the Prospectus dated 24 April 2024, the Group will focus on expanding centralised distribution centre by building up a new operational building, expanding of value-added processing area, purchase of new machinery and equipment as well as increase the numbers of transportation fleet to cater increase in market demand. Besides, the Group will also set-up additional regional distribution centres in Pahang and Negeri Sembilan, as well as a sales and marketing office in Singapore to secure new customers.

Premised the above, the Group's prospects remain positive taking into consideration the Group's competitive advantages, business strategies and favourable market opportunities in the fresh vegetable industry.

### **B4 Profit forecast**

The Group did not issue any profit forecast or guarantee during current financial quarter under review.

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.03.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 31.03.2023 Unaudited RM'000	CURRENT YEAR-TO-DATE 31.03.2024 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.03.2023 Audited RM'000
In respect of the current period: Income tax expense	690	N/A	690	N/A
<b>Total</b>	<b>690</b>	<b>N/A</b>	<b>690</b>	<b>N/A</b>
<b>Effective tax rate (%)</b>	<b>21%</b>	<b>N/A</b>	<b>21%</b>	<b>N/A</b>

The effective tax rate for the current financial quarter ended 31 March 2024 was lower than the statutory tax rate of 24% due to tax saving for subsidiaries in Malaysia with paid up capital of RM2,500,000 and below and annual sales less than RM50,000,000. In addition, partial tax exemption and lower tax rate for a subsidiary in Singapore.

There are no comparative figures for the preceding corresponding quarter and year-to-date as this is the first interim financial report for the first quarter ended 31 March 2024 being announced in compliance with the Listing Requirements of Bursa Securities.



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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B6 Status of corporate proposals

There are no other corporate proposals announced but not yet completed as at the date of this interim financial report.

#### (i) Acquisitions

On 12 Jun 2023 and 18 August 2023, the Company had entered into a conditional shares sale agreement ("**SSA**") and supplemental SSA for the followings:

- (a) acquisition of the entire issued share capital of Farm Price Sdn Bhd ("**Farm Price**") of RM2,450,000 comprising 2,450,000 ordinary shares from the shareholders of Farm Price for a total purchase consideration of RM9,661,950. The purchase consideration will be entirely satisfied by the issuance of 210,500,000 new Shares at an issue price of RM0.0459 per Share to the shareholders of Farm Price ("**Acquisition of Farm Price**").

The purchase consideration of RM9,661,950 was arrived at on a willing-buyer willing-seller basis and after taking into account the audited NA of Farm Price as at 31 December 2022 of RM9.66 million.

- (b) acquisition of the entire issued share capital of FP Foods Sdn Bhd ("**FP Foods**") of RM800,000 comprising 800,000 ordinary shares from the shareholders of FP Foods for a total purchase consideration of RM3,364,424. The purchase consideration will be entirely satisfied by the issuance of 73,299,000 new Shares at an issue price of RM0.0459 per Share to the shareholders of FP Foods ("**Acquisition of FP Foods**").

The purchase consideration of RM3,364,424 was arrived at on a willing-buyer willing-seller basis and after taking into account the audited NA of FP Foods as at 31 December 2022 of RM3.36 million.

- (c) acquisition of the entire issued share capital of Setia Kawan Marketing Sdn Bhd ("**Setia Kawan**") of RM480,002 comprising 480,002 ordinary shares from the shareholders of Setia Kawan for a total purchase consideration of RM1,946,160. The purchase consideration will be entirely satisfied by the issuance of 42,400,000 new Shares at an issue price of RM0.0459 per Share to the shareholders of Setia Kawan ("**Acquisition of Setia Kawan**").

The purchase consideration of RM1,946,160 was arrived at on a willing-buyer willing-seller basis and after taking into account the audited NA of Setia Kawan as at 31 December 2022 of RM1.95 million.

- (d) acquisition of the entire issued share capital of Topstar Trading Pte Ltd ("**Topstar**") of RM61,266 comprising 20,002 ordinary shares from the shareholder of Topstar for a total purchase consideration of RM1,000,620. The purchase consideration will be entirely satisfied by the issuance of 21,800,000 new Shares at an issue price of RM0.0459 per Share to the shareholder of Topstar ("**Acquisition of Topstar**").

The purchase consideration of RM1,000,620 was arrived at on a willing-buyer willing-seller basis and after taking into account the audited NA of Topstar as at 31 December 2022 of RM1.00 million.

(The Acquisition of Farm Price, Acquisition of FP Foods, Acquisition of Setia Kawan and Acquisition of Topstar are collectively referred to as the “**Acquisitions**”)

The Acquisitions were completed on 22 March 2024 and Farm Price, FP Foods, Setia Kawan and Topstar became the wholly-owned subsidiaries of the Company.

**(ii) IPO**

**Public Issue**

Public issue of 102,000,000 new ordinary shares in the Company (“**Issue Share**”) at an issue price of RM0.24 per Issue Share in the following manner:

- (a) 22,500,000 Issue Shares made available for application by the Malaysian public;
- (b) 11,250,000 Issue Shares made available for application by the eligible directors, employees and persons who have contributed to the success of the Group; and
- (c) 68,250,000 Issue Shares made available by way of private placement to selected investors.

**Offer for Sale**

Offer for sale of 33,000,000 existing Shares at an issue price of RM0.24 per Share by way of private placement to selected investors.

**Listing**

The admission of the Company to the Official List of Bursa Securities and the listing and quotation of the entire enlarged issued share capital of the Company of RM40,453,204 comprising 450,000,000 Shares on the ACE Market of Bursa Securities.

The Company will be listed on the ACE Market of Bursa Securities on 14 May 2024.

# FARM PRICE HOLDINGS BERHAD

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(Incorporated in Malaysia)

## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B7 Utilisation of proceeds raised from public issue

In conjunction with the IPO, the Company will raise gross proceeds from the public issue amounting to RM24.48 million.

The gross proceeds are intended to be utilised in the following manner:

<b>PURPOSES</b>	<b>PROPOSED UTILISATION RM'000</b>	<b>PERCENTAGE OF UTILISATION %</b>	<b>ESTIMATED TIME FRAME FOR UTILISATION</b>
Construction of new facilities on Lot 55359	6,400	26.14	Within 24 months
Purchase of machinery, equipment and logistics feet	2,000	8.17	Within 24 months
Planned regional distribution and	1,600	6.54	Within 18 months
Working capital	10,580	43.22	Within six (6) months
Estimated listing expenses	3,900	15.93	Within three (3) months
	<b>24,480</b>	<b>100.00</b>	

There is no minimum subscription to be raised from the IPO.

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 24 April 2024. The IPO is pending completion as at the current financial quarter under review. The Company will be listed on the ACE Market of Bursa Securities on 14 May 2024.

# FARM PRICE HOLDINGS BERHAD

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B8 Loans and borrowings

The Group's borrowings are as follows:

	PAYABLE WITHIN 12 MONTHS RM'000	PAYABLE AFTER 12 MONTHS RM'000	TOTAL OUTSTANDING RM'000
<b><u>Secured borrowings</u></b>			
Banker's acceptances	367	-	367
Lease liabilities	915	1,561	2,476
Term loans	1,462	7,433	8,895
	2,744	8,994	11,738

The secured bank borrowings and other facilities are secured by way of:

- (a) Legal charges over freehold land and buildings of subsidiaries;
- (b) Legal charges over leasehold land and buildings of subsidiaries;
- (c) Legal charge over fixed deposit of a subsidiary;
- (d) Guarantee by the Government of Malaysia under Bank Negara Malaysia's Fund for Small & Medium Enterprises – Special Relief Facility;
- (e) A third party Mortgage Reducing Term Assurance ("MRTA") for the sum insured to cover the life of directors with the Bank's appointed insurer, Uni. Asia Life Assurance Berhad with Alliance Bank Malaysia Berhad endorsed as mortgage and the MRTA premium is to be financed by the Bank; and
- (f) Joint and several guarantees by the directors of the Company.

The bank borrowings and other facilities are denoted in local currency.

# FARM PRICE HOLDINGS BERHAD

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## **B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

### **B9 Material litigations**

Save as disclosed below, the Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position, and the Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business:

#### **Farm Price -v- Songmart Malaysia Sdn Bhd in the Sessions Court of Johor (Civil Division) Case No.: JA-A52NCC-186-05/2023**

On 31 May 2023, Farm Price had commenced legal action against Songmart Malaysia Sdn Bhd ("**Songmart Malaysia**") in relation to Songmart Malaysia's non-payment of amounts owing to Farm Price for vegetables, fruit, and other F&B products supplied by Farm Price to Songmart Malaysia and its group of companies ("**Songmart Group**"). Songmart Malaysia is the wholly-owned subsidiary of Songmart Holdings Sdn Bhd ("**Songmart Holdings**"). Farm Price is claiming for the following:

- (i) a sum of RM825,588.20 owing by Songmart Malaysia to Farm Price as at 28 February 2023;
- (ii) interest of 5% per annum on RM825,588.20 from 31 May 2023 until the date of full and final settlement;
- (iii) costs; and
- (iv) other reliefs that the Court deems fit.

Songmart Malaysia subsequently ceased its business operations on 30 June 2023 and was served with winding-up petitions by some of its creditors between June 2023 to July 2023. On 7 August 2023, the High Court of Malaya had ordered for Songmart Malaysia to be wound up in accordance with the provisions of the Companies Act 2016. A liquidator has since been appointed over Songmart Malaysia's assets.

Farm Price had since discontinued the legal action against Songmart Malaysia and have submitted the proof of debt to the appointed liquidator in order to establish the claim for the outstanding sum payable by Songmart Malaysia to Farm Price ("**Songmart Debt**"). The Songmart Debt is pending settlement by the appointed liquidator as at 6 May 2024.

The settlement of the Songmart Debt will be subject to the availability of Songmart Malaysia's remaining funds after Songmart Malaysia's secured creditors have been repaid out of Songmart Malaysia's liquidated assets. While the proof of debt has been submitted to and accepted by the appointed liquidator, the Group is unable to provide a view on the likelihood of settlement of the Songmart Debt at this juncture.

### Farm Price -v- Granville Grocery Sdn Bhd in the Sessions Court of Johor (Civil Division) Case No.: JA-A72NCC-664-06/2023

On 2 June 2023, Farm Price had commenced legal action against Granville Grocery Sdn Bhd (“**Granville Grocery**”) in relation to Granville Grocery’s non-payment of amounts owing to Farm Price for vegetables, fruits, and other F&B products supplied by Farm Price to Granville Grocery. Granville Grocery is a wholly-owned subsidiary of Songmart Holdings. Farm Price is claiming for the following:

- (i) sum of RM54,042.74 owing by Granville Grocery to Farm Price as at 28 February 2023;
- (ii) interest of 5% per annum on RM54,042.74 from 4 June 2023 until the date of full and final settlement;
- (iii) costs; and
- (iv) other reliefs that the Court deems fit.

Farm Price had on 18 February 2024 obtained a summary judgement against Granville Grocery in respect of the outstanding sum owed to Farm Price (“**Granville Debt**”). However, the recovery of the Granville Debt will be subject to the availability of assets by Granville Grocery. The Granville Debt is pending settlement by Granville Grocery as at 6 May 2024.

#### B10 Proposed dividend

There was no dividend that has been declared or recommended for payment by the Board during the financial period under review.

#### B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.03.2024	PRECEDING CORRESPON -DING QUARTER 31.03.2023	CURRENT YEAR TO-DATE 31.03.2024	PRECEDING YEAR-TO-DATE 31.03.2023
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	<u>2,656</u>	<u>N/A</u>	<u>2,656</u>	<u>N/A</u>
Weighted average number of shares in issue ('000)	<u>348,000</u>	<u>N/A</u>	<u>348,000</u>	<u>N/A</u>
Basic and diluted earnings per share (sen)	<u>0.01</u>	<u>N/A</u>	<u>0.01</u>	<u>N/A</u>

# FARM PRICE HOLDINGS BERHAD

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

### B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.03.2024 Unaudited RM'000	PRECEDING CORRESPON- DING QUARTER 31.03.2023 Unaudited RM'000	CURRENT YEAR-TO- DATE 31.03.2024 Unaudited RM'000	PRECEDING YEAR-TO-DATE 31.03.2023 Unaudited RM'000
The following amounts have been included in arriving at profit before tax:				
Auditors' remuneration	23	N/A	23	N/A
Depreciation on property, plant and equipment	450	N/A	450	N/A
Property, plant and equipment written off	*	N/A	*	N/A
Employee benefits expenses	1,933	N/A	1,933	N/A
Directors' remuneration	197	N/A	197	N/A
Rental expenses	40	N/A	40	N/A
	<u>40</u>	<u>N/A</u>	<u>40</u>	<u>N/A</u>
and after crediting:				
Interest income	3	N/A	3	N/A
Rental income	6	N/A	6	N/A
Net realised foreign exchange gain	181	N/A	181	N/A
Net unrealised foreign exchange gain	9	N/A	9	N/A
	<u>9</u>	<u>N/A</u>	<u>9</u>	<u>N/A</u>

\* Amount is less than RM1,000.

By Order of the Board

Date: 8 May 2024