

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

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

and its subsidiaries

Notes to the consolidated financial statements

Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Plot D, KM6
Jalan Muadzam - Rompin
26700 Muadzam Shah
Pahang Darul Makmur

Registered office

Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Johor Darul Takzim

The principal activities of the Company are investment holding, rearing of dairy cows and the production, marketing, sale of cow's milk and plant-based related products. The principal activities of its subsidiaries are disclosed in Note 31.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group for the periods ended 30 September 2021, 30 September 2020 and years ended 31 March 2021, 31 March 2020, and 31 March 2019 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- 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)*

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(a) Statement of compliance (continued)***MFRSs, interpretations and amendments 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*

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 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 their first adoption.

(b) Basis of measurement

The consolidated financial statements of the Group have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated financial statements other than those disclosed in the following notes:

- Note 4 - right-of-use assets
- Note 5 - valuation of biological assets
- Note 6 - measurement of the recoverable amounts of cash-generating units
- Note 8 - deferred tax assets
- Note 19 - tax expense
- Note 23.4 - measurement of expected credit loss ("ECL")

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2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation**(i) Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

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(a) Basis of consolidation (continued)**(iv) Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

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(b) Foreign currency (continued)**(ii) Operations denominated in functional currencies other than Ringgit Malaysia**

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments**(i) Recognition and initial measurement**

A financial asset or a financial liability is recognised in the consolidated statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement***Financial assets***

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

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(c) Financial instruments (continued)**(ii) Financial instrument categories and subsequent measurement (continued)*****Financial assets (continued)***

The category of financial assets at initial recognition is as follows:

(a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(j)(i)) where the effective interest rate is applied to the amortised cost.

Financial assets are subject to impairment assessment (see Note 2(j)(i)).

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

(a) *Amortised cost*

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

- (a) the recognition of an asset on the day it is received by the Group, and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group.

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(c) Financial instruments (continued)**(iii) Regular way purchase or sale of financial assets (continued)**

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

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(d) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Farm barn, building and electrical installation	10 - 33 years
Milk plant, machinery, tools and equipment	5 - 20 years
Office and shop equipment and design	5 - 20 years
Motor vehicles	5 - 10 years
Agrotourism farm	5 - 10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

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(e) Leases**(i) Definition of a lease**

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement**(a) As a lessee**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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(e) Leases (continued)**(ii) Recognition and initial measurement (continued)****(a) As a lessee (continued)**

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

In an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises assets held under a finance lease in its consolidated statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement**(a) As a lessee**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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(e) Leases (continued)**(iii) Subsequent measurement (continued)****(a) As a lessee (continued)**

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments* (see Note 2(j)(i)).

(f) Intangible assets**(i) Goodwill**

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

(ii) Other intangible assets

Intangible assets, other than goodwill, that acquired by the Group which have infinite useful lives, are measured at cost less any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

Trademarks	5 years
Software	10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

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(g) Biological assets**(i) Dairy cows and goats**

The Group's biological assets comprise dairy herds, bulls and dairy goats. The biological assets are measured at cost on initial recognition and subsequently at the end of the reporting period at their fair value less costs to sell, with any resulting gain or loss recognised in profit or loss for the year in which it arises.

The feeding costs, incurred for raising of heifers and calves are capitalised, until such time as the heifers and calves begin to produce milk.

The Group determines whether an active or other effective market exists for a biological asset in its present location and condition, and whether there is a quoted price in that market as the appropriate basis for determining the fair value of that asset. If an active market does not exist then the Directors use one of the following valuation methods, when available, in determining fair value:

- the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the date of that transaction and the end of the reporting period; or
- market prices, in markets accessible to the entity, for similar assets with adjustment to reflect differences.

(ii) Semen and embryos

Semen and embryos are stated at cost less any accumulated amortisation and any accumulated impairment losses, where applicable.

Cost includes expenditure that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets for its intended use.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group in the management of their short term commitments. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

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(j) Impairment**(i) Financial assets**

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets except for inventories, deferred tax assets, lease receivables and biological assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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(j) Impairment (continued)**(ii) Other assets (continued)**

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)

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(k) Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and other similar incentives, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(l) Revenue and other income**(i) Revenue**

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Dairy cows/goats and milk

Milk is initially measured at its fair value less estimated point-of-sale costs at the time of milking. The amount so determined is subsequently carried as the cost of inventory.

The net gain or loss arising from changes of fair value of dairy cows/goats or death is included in other income/other expenses accordingly.

(iii) Government grant

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

13. ACCOUNTANTS' REPORT (Cont'd)

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(l) Revenue and other income (continued)**(v) Interest income**

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(vi) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased properties is recognised as other income.

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expense

Costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(o) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component.

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

13. ACCOUNTANTS' REPORT (Cont'd)

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(o) Compound financial instruments (continued)

The proceeds are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

(p) Employee benefits**(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

13. ACCOUNTANTS' REPORT (Cont'd)

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(s) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the consolidated statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Property, plant and equipment

	Land and buildings RM	Farm barn, building and electrical installation RM	Milk plant, machinery, tools and equipment RM	Office and shop equipment and design RM	Motor vehicles RM	Construction -in-progress RM	Total RM
At cost							
At 1 April 2018	25,034,356	28,747,378	29,375,232	1,823,067	2,855,433	17,479,453	105,314,919
Additions	1,069,415	11,847,439	26,850,408	1,377,558	2,486,884	1,017,536	44,649,240
Disposals/Written off	--	(103,555)	(309,573)	--	(241,143)	--	(654,271)
Transfer/ Reclassification	--	--	16,958,561	--	--	(16,958,561)	--
Exchange difference	(581,669)	--	(141,093)	--	--	--	(722,762)
At 31 March 2019	<u>25,522,102</u>	<u>40,491,262</u>	<u>72,733,535</u>	<u>3,200,625</u>	<u>5,101,174</u>	<u>1,538,428</u>	<u>148,587,126</u>
Accumulated depreciation							
At 1 April 2018	228,008	3,804,529	6,062,797	994,746	1,306,762	--	12,396,842
Depreciation charge	137,610	1,569,850	4,776,426	254,334	626,491	--	7,364,711
Disposals/Written off	--	(25,160)	(39,622)	--	(134,045)	--	(198,827)
Exchange difference	--	--	(5,139)	--	--	--	(5,139)
At 31 March 2019	<u>365,618</u>	<u>5,349,219</u>	<u>10,794,462</u>	<u>1,249,080</u>	<u>1,799,208</u>	<u>--</u>	<u>19,557,587</u>
Carrying amounts							
At 31 March 2019	<u>25,156,484</u>	<u>35,142,043</u>	<u>61,939,073</u>	<u>1,951,545</u>	<u>3,301,966</u>	<u>1,538,428</u>	<u>129,029,539</u>
At cost							
At 1 April 2019	25,522,102	40,491,262	72,733,535	3,200,625	5,101,174	1,538,428	148,587,126
Additions	6,929,303	16,350,340	30,861,159	945,220	2,737,570	20,980,420	78,804,012
Disposals/Written off	--	(27,779)	(436,703)	--	(1,989,522)	(29,192)	(2,483,196)
Transfer/ Reclassification	12,931	275,283	1,214,214	--	--	(1,502,428)	--
Acquisition of a business	5,131,590	--	4,527,915	--	--	--	9,659,505
Exchange difference	(2,648,357)	(11,082)	(833,140)	(7,919)	--	(1,090,797)	(4,591,295)
At 31 March 2020	<u>34,947,569</u>	<u>57,078,024</u>	<u>108,066,980</u>	<u>4,137,926</u>	<u>5,849,222</u>	<u>19,896,431</u>	<u>229,976,152</u>
Accumulated depreciation							
At 1 April 2019	365,618	5,349,219	10,794,462	1,249,080	1,799,208	--	19,557,587
Depreciation charge	169,821	2,519,545	8,571,199	425,388	1,127,476	--	12,813,429
Disposals/Written off	--	(1,011)	(41,521)	--	(1,193,313)	--	(1,235,845)
Transfer/ Reclassification	--	(20,000)	20,000	--	--	--	--
Exchange Difference	--	(17)	(59,673)	(240)	--	--	(59,930)
At 31 March 2020	<u>535,439</u>	<u>7,847,736</u>	<u>19,284,467</u>	<u>1,674,228</u>	<u>1,733,371</u>	<u>--</u>	<u>31,075,241</u>
Carrying amounts							
At 31 March 2020	<u>34,412,130</u>	<u>49,230,288</u>	<u>88,782,513</u>	<u>2,463,698</u>	<u>4,115,851</u>	<u>19,896,431</u>	<u>198,900,911</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Property, plant and equipment (continued)

	Land and buildings RM	Farm barn, building and electrical installation RM	Milk plant, machinery, tools and equipment RM	Office and shop equipment and design RM	Motor vehicles RM	Construction -in-progress RM	Total RM
At cost							
At 1 April 2020	34,947,569	57,078,024	108,066,980	4,137,926	5,849,222	19,896,431	229,976,152
Additions	6,997,485	12,630,323	82,213,410	1,288,006	2,920,722	12,834,796	118,884,742
Disposals/Written off	(4,960)	--	(243,223)	--	(840,808)	--	(1,088,991)
Transfer/Reclassification	(1,013,275)	9,453,813	8,707,939	(693,932)	1,481,314	(17,935,859)	--
Exchange difference	6,454,622	298,805	5,992,716	33,791	133,472	1,795,313	14,708,719
At 31 March 2021	47,381,441	79,460,965	204,737,822	4,765,791	9,543,922	16,590,681	362,480,622
Accumulated depreciation							
At 1 April 2020	535,439	7,847,736	19,284,467	1,674,228	1,733,371	--	31,075,241
Depreciation charge	169,821	3,772,803	13,934,880	548,532	1,547,630	--	19,973,666
Disposals/Written off	--	--	(107,676)	--	(371,032)	--	(478,708)
Transfer/Reclassification	--	(157,594)	(104,429)	(35,477)	297,500	--	--
Exchange difference	--	11,430	301,988	5,074	42,617	--	361,109
At 31 March 2021	705,260	11,474,375	33,309,230	2,192,357	3,250,086	--	50,931,308
Accumulated impairment loss							
At 1 April 2020	--	--	--	--	--	--	--
Impairment loss	--	--	4,212,235	--	--	--	4,212,235
Exchange difference	--	--	268,182	--	--	--	268,182
At 31 March 2021	--	--	4,480,417	--	--	--	4,480,417
Carrying amounts							
At 31 March 2021	46,676,181	67,986,590	166,948,175	2,573,434	6,293,836	16,590,681	307,068,897

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Property, plant and equipment (continued)

	Land and buildings RM	Farm barn, building and electrical installation RM	Milk plant, machinery, tools and equipment RM	Office and shop and equipment and design RM	Motor vehicles RM	Agrotourism farm RM	Construction -in-progress RM	Total RM
At cost								
At 1 April 2021	47,381,441	79,460,965	204,737,822	4,765,791	9,543,922	--	16,590,681	362,480,622
Additions	--	14,176,540	6,251,710	553,285	405,127	--	8,253,955	29,640,617
Disposals/Written off	--	--	(505,252)	(2,599)	--	--	(110,164)	(618,015)
Transfer/Reclassification	--	5,676,245	1,683,046	--	--	232,807	(7,592,098)	--
Exchange difference	(2,045,098)	(233,527)	(3,689,113)	(19,496)	(104,701)	--	(173,753)	(6,265,688)
At 30 September 2021	45,336,343	99,080,223	208,478,213	5,296,981	9,844,348	232,807	16,968,621	385,237,536
Accumulated depreciation								
At 1 April 2021	705,260	11,474,375	33,309,230	2,192,357	3,250,086	--	--	50,931,308
Depreciation charge	84,910	2,320,280	9,416,295	360,601	845,194	15,770	--	13,043,050
Disposals/Written off	--	--	(163,107)	(866)	--	--	--	(163,973)
Exchange difference	--	(11,500)	(274,269)	(5,334)	(41,678)	--	--	(332,781)
At 30 September 2021	790,170	13,783,155	42,288,149	2,546,758	4,053,602	15,770	--	63,477,604
Accumulated impairment loss								
At 1 April 2021	--	--	4,480,417	--	--	--	--	4,480,417
Impairment loss	--	--	80,129	--	--	--	--	80,129
Exchange difference	--	--	(209,859)	--	--	--	--	(209,859)
At 30 September 2021	--	--	4,350,687	--	--	--	--	4,350,687
Carrying amounts								
At 30 September 2021	44,546,173	85,297,068	161,839,377	2,750,223	5,790,746	217,037	16,968,621	317,409,245

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Property, plant and equipment (continued)

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Carrying amounts of land and buildings				
Land	35,972,452	37,712,170	25,427,368	22,472,613
Buildings	8,573,721	8,964,011	8,984,762	2,683,871
	<u>44,546,173</u>	<u>46,676,181</u>	<u>34,412,130</u>	<u>25,156,484</u>

Impairment loss - Australia's operation

The Group has assessed the recoverable amount of plant and machineries under the fruit jam and sauces divisions and recognised a full impairment loss of RM4,212,235 and RM80,129 in financial year ended 31 March 2021 and financial period ended 30 September 2021 respectively on certain plant and machineries due to loss incurred in fruit jam and sauces divisions.

The recoverable amount of plant and machineries is determined based on value in use calculations. See Note 6 for the significant assumptions used in value in use calculations.

The impairment loss is recognised as other expenses in the consolidated statement of profit or loss and other comprehensive income.

Assets under hire purchase

Included in property, plant and equipment of the Group are motor vehicles, and plant and machineries acquired under hire purchase with carrying amount of RM40,382,851 (31.3.2021: RM65,371,240; 31.3.2020: RM29,538,791; 31.3.2019: RM15,940,323).

Security

Certain land and buildings of the Group with carrying amount of RM44,546,173 (31.3.2021: RM39,233,183; 31.3.2020: RM34,412,130; 31.3.2019: RM23,249,497) are charged to banks as security for banking facilities granted to its subsidiary (see Note 13).

Properties subject to operating lease

The Group leases one of its warehouses to a third party under a short-term lease arrangement.

The Group generally does not require a financial guarantee on the lease arrangement. The rental income is recognised as other income in the consolidated statement of profit or loss and other comprehensive income as disclose in Note 20.

Others

Included in farm barn, building and electrical installation and construction-in-progress are the following expenses capitalised:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Staff costs	1,484,581	1,419,104	980,987	344,497
Finance costs	436,767	--	--	--

Motor vehicles of the Group with carrying amount of NIL (31.3.2021: RM66,667; 31.3.2020: RM106,667; 31.3.2019: RM150,000) are registered in the names of the Directors/person connected to the Directors held in trust for the Group.

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Right-of-use assets

	Land RM	Buildings RM	Total RM
At 1 April 2018	14,399,878	323,231	14,723,109
Addition	1,027,945	306,814	1,334,759
Depreciation	(796,451)	(129,948)	(926,399)
At 31 March 2019	<u>14,631,372</u>	<u>500,097</u>	<u>15,131,469</u>
At 1 April 2019	14,631,372	500,097	15,131,469
Addition	732,374	--	732,374
Depreciation	(936,473)	(193,288)	(1,129,761)
Derecognition	--	(29,996)	(29,996)
At 31 March 2020	<u>14,427,273</u>	<u>276,813</u>	<u>14,704,086</u>
At 1 April 2020	14,427,273	276,813	14,704,086
Addition	2,059,416	810,052	2,869,468
Depreciation	(1,069,659)	(167,267)	(1,236,926)
Derecognition	(533,956)	(15,019)	(548,975)
Exchange Difference	--	32,116	32,116
At 31 March 2021	<u>14,883,074</u>	<u>936,695</u>	<u>15,819,769</u>
At 1 April 2021	14,883,074	936,695	15,819,769
Addition	110,164	500,485	610,649
Depreciation	(551,210)	(223,186)	(774,396)
Exchange Difference	--	(18,727)	(18,727)
At 30 September 2021	<u>14,442,028</u>	<u>1,195,267</u>	<u>15,637,295</u>

The Group leases a number of land and buildings that run between one year and thirty-three years.

4.1 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective lease. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.2 Security

Included in right-of-use assets of the Group are assets with carrying amount of RM1,953,922 (31.3.2021: RM1,907,394; 31.3.2020: RM614,576; 31.3.2019: RM643,051) are charged to banks as security for banking facilities granted to the subsidiary (see Note 13).

13. ACCOUNTANTS' REPORT (Cont'd)

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5. Biological assets

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Dairy cows and goats				
At fair value				
At 1 April	65,708,379	51,754,400	42,802,891	30,694,635
Additions	8,491,792	14,966,322	13,996,051	12,728,408
Disposals	(4,851,898)	(6,797,196)	(5,328,076)	(3,520,632)
Net gain arising from changes in fair value of dairy cows and goats	10,223,890	4,321,205	1,359,529	2,942,515
Transfer to inventories	(401,530)	(968,311)	(303,145)	--
Transfer from semen and embryos	--	207,437	190,237	--
Exchange difference	(777,123)	2,224,522	(963,087)	(42,035)
At 30 September/31 March	<u>78,393,510</u>	<u>65,708,379</u>	<u>51,754,400</u>	<u>42,802,891</u>
Semen and embryos				
At cost				
At 1 April	3,750,720	3,897,514	4,115,921	4,124,527
Transfer to dairy cows and goats	--	(207,437)	(190,237)	--
Exchange difference	(99,128)	60,643	(28,170)	(8,606)
At 30 September/31 March	<u>3,651,592</u>	<u>3,750,720</u>	<u>3,897,514</u>	<u>4,115,921</u>
	<u>82,045,102</u>	<u>69,459,099</u>	<u>55,651,914</u>	<u>46,918,812</u>

The quantity of dairy cows and dairy goats owned by the Group at the end of the reporting period is shown below.

	30.9.2021 Heads	31.3.2021 Heads	31.3.2020 Heads	31.3.2019 Heads
Dairy herds	7,930	7,922	7,384	6,428
Bulls	1,248	1,144	846	768
Goat herds	338	357	332	341
	<u>9,516</u>	<u>9,423</u>	<u>8,562</u>	<u>7,537</u>

The raw milk quantity produced from goat herds and dairy herds owned by the Group during the financial period/year is shown below.

	1.4.2021 to 30.9.2021 Litres	1.4.2020 to 31.3.2021 Litres	1.4.2019 to 31.3.2020 Litres	1.4.2018 to 31.3.2019 Litres
Goat herds	16,781	35,246	49,645	39,706
Dairy herds	12,063,656	22,711,153	23,874,075	18,511,508
	<u>12,080,437</u>	<u>22,746,399</u>	<u>23,923,720</u>	<u>18,551,214</u>

13. ACCOUNTANTS' REPORT (Cont'd)

5. Biological assets (continued)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<u>Malaysian Farm</u>		
(a) <u>Replacement cost approach</u>		
Reference to expected cost of purchase of cows by other farms in Malaysia and overseas, adjusted for differences in breed, weight and age group.	Price per head of comparable breed and age group.	The estimated fair value would increase/ (decrease) if the price per head is higher/ (lower).
The table below summarises the price range per head:		
<u>Cows</u>		
Calves and heifers: RM5,630 to RM8,030 (31.3.2021: RM4,300 to RM6,400; 31.3.2020: RM3,200 to RM5,300; 31.3.2019: RM2,000 to RM4,000)		
Milkable cows: RM10,390 to RM11,830 (31.3.2021: RM8,490 to RM9,750; 31.3.2020: RM7,400 to RM8,700; 31.3.2019: RM8,135 to RM8,635)		
(b) <u>Comparison approach</u>		
Reference to sale price of comparable goat herds and bulls and adjusted for differences in key attributes such as breed and age.		
The table below summarises the price range per head:		
<u>Goat herds</u>		
RM500 to RM3,800 (31.3.2021: RM500 to RM3,800; 31.3.2020: RM500 to RM3,800; 31.3.2019: RM500 to RM3,800)		
<u>Bulls</u>		
RM2,000 to RM5,000 (31.3.2021: RM2,000 to RM5,000; 31.3.2020: RM2,000 to RM5,000; 31.3.2019: RM2,000 to RM5,000)		
<u>Australian Farm</u>		
Comparison approach: Reference to sale price of comparable goat herds and bulls and adjusted for differences in key attributes such as breed and age.		
The table below summarises the price range per head:		
<u>Cows</u>		
Calves and heifers: RM3,017 to RM4,827 (31.3.2021: RM3,163 to RM4,428; 31.3.2020: RM2,890 to RM4,046; 31.3.2019: RM2,888 to RM4,044)		
Milkable cows: RM7,240 (31.3.2021: RM6,325; 31.3.2020: RM5,411; 31.3.2019: RM5,199)		

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5. Biological assets (continued)

Level 3 fair value (continued)

The fair value of semen and embryos cannot be measured reliably as there is no active market and transaction data available. The semen and embryos were bought for own use to improve the genetic quality of the dairy cows and transferred to dairy cows based on the consumption.

No amortisation for the semen and embryos as there is no expiration date on frozen semen and embryos as these are properly stored.

The Directors monitor on the key factors in determining the fair value such as comparable sales price and foreign exchange rate affecting import price as part of their financial risk management on biological assets.

6. Intangible assets

	Water-use license RM	Goodwill RM	Software RM	Trademark RM	Total RM
At 1 April 2018	7,777,067	--	--	--	7,777,067
Exchange difference	(196,092)	--	--	--	(196,092)
At 31 March 2019	<u>7,580,975</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,580,975</u>
At 1 April 2019	7,580,975	--	--	--	7,580,975
Acquisition of a business	2,993,428	4,471,243	--	--	7,464,671
Exchange difference	(819,850)	(304,395)	--	--	(1,124,245)
At 31 March 2020	<u>9,754,553</u>	<u>4,166,848</u>	<u>--</u>	<u>--</u>	<u>13,921,401</u>
At 1 April 2020	9,754,553	4,166,848	--	--	13,921,401
Addition	--	--	3,364,691	106,270	3,470,961
Amortisation	--	--	(196,366)	(6,943)	(203,309)
Transfer	(11,733)	11,733	--	--	--
Exchange difference	1,856,686	794,186	54,994	--	2,705,866
At 31 March 2021	<u>11,599,506</u>	<u>4,972,767</u>	<u>3,223,319</u>	<u>99,327</u>	<u>19,894,919</u>
At 1 April 2021	11,599,506	4,972,767	3,223,319	99,327	19,894,919
Addition	--	--	166,028	--	166,028
Amortisation	--	--	(113,013)	(5,314)	(118,327)
Exchange difference	(535,102)	(229,401)	(38,466)	--	(802,969)
At 30 September 2021	<u>11,064,404</u>	<u>4,743,366</u>	<u>3,237,868</u>	<u>94,013</u>	<u>19,139,651</u>

The amortisation is recognised as administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Water-use license

Water-use license is an entitlement to irrigate a specific parcel or parcels of land. The useful lives of the water-use license are estimated to be indefinite as the water-use license is always attached to the owner of the land.

The recoverable amount of water-use license was determined based on the fair value less to costs of disposal. The fair value of water-use license is based on market comparison technique within Level 2. The valuation model is based on market transaction prices published on the relevant authority website. For the purpose of impairment testing, the management has compared the carrying amount against the transaction price published on the relevant authority website as at the financial year end.

Based on the management assessment, no impairment is required as the recoverable amount was higher than carrying amount.

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6. Intangible assets (continued)

Goodwill

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the intangible asset is monitored for internal management purpose.

The aggregate carrying amount of goodwill allocated to the unit is as follows:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Australia's Kyabram facilities and fruit jam and sauces divisions	4,743,366	4,972,767	4,166,848	--

- (a) The recoverable amount of a Cash Generating Unit ("CGU") is determined based on value in use calculations. These calculations used cash flow projections based on financial budgets approved by the management for periods covering a five-year period. The management has considered and determined the factors applied in the financial budgets which include budgeted gross margins, pre-tax discount rates and estimated growth rates. The budgeted gross margins are based on past performance and the average growth rates and discount rates used are based on management's best estimate.
- (b) The key assumptions used in the value in use calculations are as follows:
- Cash flows were projected based on a 5-year business plan.
 - Gross margins are projected based on the historical profit margin achieved or predetermined profit margin for the products.
 - A pre-tax discount rate of 8% has been applied in determining the recoverable amount of the CGUs. The discount rate was estimated based on weighted average cost of capital of Australian food and beverage industry.
 - The subsidiary will continue its operation indefinitely.

Based on the management assessment, no impairment is required as the recoverable amount was higher than carrying amount.

7. Trade and other receivables

	Note	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Non-current					
Net investment in lease	7.1	898,911	1,077,338	830,546	--
Current					
Trade receivables	7.2	78,995,337	77,243,695	63,828,027	32,788,596
Other receivables, deposits and prepayments	7.2	6,855,146	7,989,608	8,175,621	8,971,943
Advance payments	7.3	1,917,023	3,203,155	8,795,241	856,406
Net investment in lease	7.1	354,324	359,714	232,614	--
		88,121,830	88,796,172	81,031,503	42,616,945
		89,020,741	89,873,510	81,862,049	42,616,945

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7. Trade and other receivables (continued)

7.1 Net investment in lease

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
At 1 April	1,437,052	1,063,160	--	--
Addition	--	669,867	1,150,112	--
Interest income	33,224	51,049	18,648	--
Lease payments received	(217,041)	(288,576)	(105,600)	--
Derecognition	--	(58,448)	--	--
At 30 September/31 March	<u>1,253,235</u>	<u>1,437,052</u>	<u>1,063,160</u>	<u>--</u>

The Group leases several motor vehicles to third parties. Each of the leases contains an initial non-cancellable period of three to five years, with a fixed rent.

These leases transfer substantially all the risk and rewards incidental to ownership of the motor vehicles. The Group expects the residual value of the motor vehicles at the end of the lease term to be minimal. These leases do not include buy-back agreements or residual value guarantees.

The lease payments to be received are as follows:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Less than one year	407,527	417,828	279,528	--
One to two years	387,528	392,528	279,528	--
Two to three years	340,666	374,387	254,528	--
Three to four years	185,600	281,950	226,630	--
Four to five years	48,000	120,975	144,325	--
Total undiscounted lease payments	1,369,321	1,587,668	1,184,539	--
Unearned interest income	(116,086)	(150,616)	(121,379)	--
Net investment in lease	<u>1,253,235</u>	<u>1,437,052</u>	<u>1,063,160</u>	<u>--</u>

The following are recognised in profit or loss:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Gain for new finance lease entered into	--	212,591	450,482	--

7.2 Included in trade and other receivables are amounts due from companies in which certain Directors of the Group have substantial financial interests:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Trade receivables	11,192	8,570	27,588	3,633,527
Other receivables, deposits and prepayments	--	5,305	1,769,753	685,570
	<u>11,192</u>	<u>13,875</u>	<u>1,797,341</u>	<u>4,319,097</u>

The Group has collected the non-trade portion of amounts due from companies in which certain Directors of the Group have substantial financial interests subsequent to the financial year ended 31 March 2021.

7.3 In respect of advance payments paid to suppliers for raw materials and services to be performed.

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8. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Assets				
Trade receivables	47,670	316,747	43,000	43,000
Inventories	358,551	166,278	72,000	72,000
Unabsorbed capital allowances	1,874,000	2,379,794	258,000	2,026,000
Unutilised tax losses	14,165,451	8,831,770	574,000	1,284,917
Derivative liabilities	62,834	--	--	--
Provisions	1,707,439	--	--	--
Others	832,960	843,982	514,350	111,000
Tax assets	19,048,905	12,538,571	1,461,350	3,536,917
Set off of tax	(8,274,965)	(9,185,821)	(1,106,000)	(3,536,917)
Net tax assets	10,773,940	3,352,750	355,350	--
Liabilities				
Property, plant and equipment	(13,039,649)	(12,071,797)	(5,772,000)	(5,563,196)
Change in fair value of biological assets	(4,276,913)	(2,915,621)	--	(851,921)
Tax liabilities	(17,316,562)	(14,987,418)	(5,772,000)	(6,415,117)
Set off of tax	8,274,965	9,185,821	1,106,000	3,536,917
Net tax liabilities	(9,041,597)	(5,801,597)	(4,666,000)	(2,878,200)
Net				
Property, plant and equipment	(13,039,649)	(12,071,797)	(5,772,000)	(5,563,196)
Trade receivables	47,670	316,747	43,000	43,000
Inventories	358,551	166,278	72,000	72,000
Unabsorbed capital allowances	1,874,000	2,379,794	258,000	2,026,000
Unutilised tax losses	14,165,451	8,831,770	574,000	1,284,917
Change in fair value of biological assets	(4,276,913)	(2,915,621)	--	(851,921)
Derivative liabilities	62,834	--	--	--
Provisions	1,707,439	--	--	--
Others	832,960	843,982	514,350	111,000
Net tax assets/(liabilities)	1,732,343	(2,448,847)	(4,310,650)	(2,878,200)

The Company has been granted approval of East Coast Economic Region Incentive ("ECER incentive") under Income Tax Act, 1967 for milk and cheese processing projects. Under the incentives, the Company is allowed to claim income tax exemption on its statutory income arising from qualifying projects for 10 (5+5) years commencing from the first year the Company derives statutory income, i.e. from YA2014. The ECER incentive is subject to and upon fulfilment of the necessary conditions and requirements as specified in the approval letter. Losses incurred before the exemption period and during the exemption period are allowed to be carried forward for utilisation during the post exemption period.

A subsidiary has been granted Agricultural Tax Incentive under Section 127 of Income Tax Act, 1967 for rearing of cows/goats and cows and goats milk processing projects. Under the incentives, the subsidiary is allowed to claim income tax exemption on its statutory income arising from qualifying projects for 10 years commencing from the first year the subsidiary derives statutory income, i.e. from YA2014. Losses incurred before the exemption period and during the exemption period are allowed to be carried forward for utilisation during the post exemption period.

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred tax assets/(liabilities) (continued)

Recognised deferred tax assets/(liabilities) (continued)

Accordingly, the deferred tax liabilities of the Company and the subsidiary are recognised in the consolidated financial statements to the extent that they are expected to be reversed/utilised after the 10 years exemption period.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items in certain subsidiaries (stated at gross):

	30.9.2021	31.3.2021	31.3.2020	31.3.2019
	RM	RM	RM	RM
Property, plant and equipment	(9,474,000)	(6,825,000)	(4,155,000)	(4,231,000)
Unabsorbed capital allowances	10,153,000	6,988,000	4,715,000	4,607,000
Unutilised tax losses	4,427,000	13,366,000	676,000	781,000
Change in fair value of biological assets	(5,364,000)	(2,205,000)	(671,000)	(38,000)
Others	567,000	489,000	323,000	160,000
Net tax assets	<u>309,000</u>	<u>11,813,000</u>	<u>888,000</u>	<u>1,279,000</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

The comparative figures have been restated to reflect the revised deferred tax assets carry forward available to the Group.

An amendment is made in the Finance Act 2021 that unutilised tax losses carry forwards up to the year of assessment 2018 be deductible against aggregate statutory income until the year of assessment 2028. Any unutilised tax losses for the year of assessment 2019 onwards can be carried forward for a maximum of 10 consecutive year of assessment.

The unrecognised unutilised tax losses will expire in the following years of assessment:

	30.9.2021	31.3.2021	31.3.2020	31.3.2019
	RM	RM	RM	RM
2028	589,000	589,000	589,000	589,000
2029	14,000	14,000	14,000	192,000
2030	1,038,000	1,038,000	73,000	--
2031	561,000	561,000	--	--
2032	2,225,000	--	--	--
No expiry period (see Note (a) below)	--	11,164,000	--	--
	<u>4,427,000</u>	<u>13,366,000</u>	<u>676,000</u>	<u>781,000</u>

(a) Unutilised tax losses do not expire under the Australia's tax legislation.

The unabsorbed capital allowances do not expire under the current tax legislation.

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the period/year

	At 1 April 2021 RM	Recognised in profit or loss (Note 19) RM	Exchange differences RM	At 30 September 2021 RM	
Property, plant and equipment	(12,071,797)	(1,041,776)	73,924	(13,039,649)	
Trade receivables	316,747	(268,885)	(192)	47,670	
Inventories	166,278	201,564	(9,291)	358,551	
Unabsorbed capital allowances	2,379,794	(505,794)	--	1,874,000	
Unutilised tax losses	8,831,770	5,825,568	(491,887)	14,165,451	
Change in fair value of biological assets	(2,915,621)	(1,444,248)	82,956	(4,276,913)	
Derivatives	--	65,422	(2,588)	62,834	
Provisions	--	1,777,771	(70,332)	1,707,439	
Others	843,982	38,297	(49,319)	832,960	
	<u>(2,448,847)</u>	<u>4,647,919</u>	<u>(466,729)</u>	<u>1,732,343</u>	
	At 1 April 2020 RM	Recognised in profit or loss (Note 19) RM	Exchange differences RM	At 31 March 2021 RM	
Property, plant and equipment	(5,772,000)	(6,133,288)	(166,509)	(12,071,797)	
Trade receivables	43,000	257,601	16,146	316,747	
Inventories	72,000	89,413	4,865	166,278	
Unabsorbed capital allowances	258,000	2,121,794	--	2,379,794	
Unutilised tax losses	574,000	7,847,384	410,386	8,831,770	
Change in fair value of biological assets	--	(2,810,895)	(104,726)	(2,915,621)	
Others	514,350	246,767	82,865	843,982	
	<u>(4,310,650)</u>	<u>1,618,776</u>	<u>243,027</u>	<u>(2,448,847)</u>	
	At 1 April 2019 RM	Recognised in profit or loss (Note 19) RM	Acquisition of a business (Note 28) RM	Exchange differences RM	At 30 March 2020 RM
Property, plant and equipment	(5,563,196)	(208,804)	--	--	(5,772,000)
Trade receivables	43,000	--	--	--	43,000
Inventories	72,000	--	--	--	72,000
Unabsorbed capital allowances	2,026,000	(1,768,000)	--	--	258,000
Unutilised tax losses	1,284,917	(710,917)	--	--	574,000
Change in fair value of biological assets	(851,921)	848,275	--	3,646	--
Others	111,000	48,000	381,308	(25,958)	514,350
	<u>(2,878,200)</u>	<u>(1,791,446)</u>	<u>381,308</u>	<u>(22,312)</u>	<u>(4,310,650)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year (continued)

	At 1 April 2018 RM	Recognised in profit or loss (Note 19) RM	Exchange differences RM	At 31 March 2019 RM
Property, plant and equipment	(3,109,000)	(2,456,642)	2,446	(5,563,196)
Trade receivables	--	43,000	--	43,000
Inventories	--	72,000	--	72,000
Unabsorbed capital allowances	1,127,000	899,000	--	2,026,000
Unutilised tax losses	867,000	433,607	(15,690)	1,284,917
Change in fair value of biological assets	(1,022,561)	218,860	(48,220)	(851,921)
Others	46,000	65,000	--	111,000
	<u>(2,091,561)</u>	<u>(725,175)</u>	<u>(61,464)</u>	<u>(2,878,200)</u>

9. Inventories

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Raw material	51,199,223	59,338,470	15,623,297	11,432,430
Milk	10,826,778	16,757,036	8,218,701	5,906,197
Consumables	9,963,802	9,782,715	6,204,282	5,446,566
Goods-in-transit	13,737,784	9,186,008	2,125,594	2,285,119
Finished goods	9,882,716	9,359,275	7,828,044	3,791,964
Work-in-progress	363,727	611,135	156,126	837,748
	<u>95,974,030</u>	<u>105,034,639</u>	<u>40,156,044</u>	<u>29,700,024</u>
	1.4.2021 to 30.9.2021 RM	1.4.2020 to 31.3.2021 RM	1.4.2019 to 31.3.2020 RM	1.4.2018 to 31.3.2019 RM
Recognised in profit or loss:				
- Inventories recognised as cost of sales	191,009,235	348,998,100	223,013,276	123,532,582
- Write down of obsolete and slow-moving inventories	721,657	614,402	--	300,000
	<u>191,730,892</u>	<u>349,612,502</u>	<u>223,013,276</u>	<u>123,832,582</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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10. Cash and cash equivalents

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Cash and bank balances	59,578,447	11,673,637	7,478,507	2,486,950
Deposits placed with licensed banks	50,000	50,000	--	1,000,000
Cash and cash equivalents in the consolidated statements of financial position	59,628,447	11,723,637	7,478,507	3,486,950
Less: Bank overdraft	--	(14,272,336)	(7,955,091)	(4,257,502)
Cash and cash equivalents in the consolidated statements of cash flows	59,628,447	(2,548,699)	(476,584)	(770,552)

11. Capital and reserves

Share capital

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	87,779,796	87,779,796	87,779,796	27,779,796
Shares issued	--	--	--	60,000,000
At 30 September/31 March	87,779,796	87,779,796	87,779,796	87,779,796

	30.9.2021	Number of ordinary shares 31.3.2021	31.3.2020	31.3.2019
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	84,999,999	84,999,999	84,999,999	24,999,999
Shares issued	--	--	--	60,000,000
At 30 September/31 March	84,999,999	84,999,999	84,999,999	84,999,999

Reserves

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Non-distributable				
Translation reserve	(3,419,921)	4,024,142	(5,101,207)	(1,490,685)
Distributable				
Retained earnings	193,582,035	142,839,375	106,611,297	71,391,438
	190,162,114	146,863,517	101,510,090	69,900,753

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

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12. Non-controlling interests

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

	The Holstein Milk Company (Australia) Pty Ltd and its subsidiaries	Other individually immaterial subsidiaries	Total
1.4.2021 to 30.9.2021			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	RM'000	RM'000
Carrying amount of NCI as at 30 September 2021	<u>4,589</u>	<u>311</u>	<u>4,900</u>
Loss allocated to NCI	<u>(1,039)</u>	<u>(218)</u>	<u>(1,257)</u>
1.4.2020 to 31.3.2021			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	RM'000	RM'000
Carrying amount of NCI as at 31 March 2021	<u>5,858</u>	<u>529</u>	<u>6,387</u>
(Loss)/Profit allocated to NCI	<u>(3,514)</u>	<u>114</u>	<u>(3,400)</u>
1.4.2019 to 31.3.2020			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	RM'000	RM'000
Carrying amount of NCI as at 31 March 2020	<u>8,060</u>	<u>415</u>	<u>8,475</u>
Loss allocated to NCI	<u>(253)</u>	<u>(584)</u>	<u>(837)</u>
1.4.2018 to 31.3.2019			
NCI percentage of ownership interest and voting interest	20%		
	RM'000	RM'000	RM'000
Carrying amount of NCI as at 31 March 2019	<u>5,131</u>	<u>1,000</u>	<u>6,131</u>
Loss allocated to NCI	<u>(59)</u>	<u>--</u>	<u>(59)</u>

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12. Non-controlling interests (continued)

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
The Holstein Milk Company (Australia) Pty Ltd and its subsidiaries				
Summarised financial information before intra-group elimination				
As at 30 September/ 31 March				
Non-current assets	161,109	158,335	82,305	44,829
Current assets	186,363	142,578	21,434	7,942
Non-current liabilities	(93,646)	(55,787)	(14,989)	(16,358)
Current liabilities	(230,880)	(215,836)	(48,726)	(19,031)
Net assets	<u>22,946</u>	<u>29,290</u>	<u>40,024</u>	<u>17,382</u>
Period/Year ended 30 September/31 March				
Revenue	91,496	84,515	32,795	18,852
Loss for the period/year	<u>(5,197)</u>	<u>(17,570)</u>	<u>(1,565)</u>	<u>(294)</u>
Cash flows used in operating activities	(46,626)	(31,402)	(11,273)	(1,966)
Cash flows used in investing activities	(71,635)	(76,437)	(43,757)	(11,128)
Cash flows from financing activities	<u>66,317</u>	<u>97,075</u>	<u>55,407</u>	<u>12,385</u>
Net (decrease)/increase in cash and cash equivalents	<u>(51,944)</u>	<u>(10,764)</u>	<u>377</u>	<u>(709)</u>

13. Loans and borrowings

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Non-current				
Unsecured				
Loan from a shareholder	--	--	31,000,000	--
Secured				
Sukuk	200,000,000	--	--	--
Hire purchase liabilities	16,942,961	41,409,818	13,891,307	7,971,574
Term loans	<u>23,505,999</u>	<u>59,604,938</u>	<u>45,242,543</u>	<u>32,381,168</u>
	<u>240,448,960</u>	<u>101,014,756</u>	<u>90,133,850</u>	<u>40,352,742</u>
Current				
Unsecured				
Loan from a shareholder	--	34,012,603	--	--
Secured				
Sukuk	2,547,945	--	--	--
Hire purchase liabilities	4,963,604	16,240,753	7,777,128	3,613,624
Short term financing	163,857	1,085,755	--	--
Term loans	1,267,560	9,062,916	4,532,461	3,903,375
Bankers' acceptances	27,598,201	62,179,558	38,277,559	7,917,239
Bank overdraft	--	14,272,336	7,955,091	4,257,502
Revolving credits	--	<u>4,074,000</u>	--	--
	<u>36,541,167</u>	<u>140,927,921</u>	<u>58,542,239</u>	<u>19,691,740</u>
	<u>276,990,127</u>	<u>241,942,677</u>	<u>148,676,089</u>	<u>60,044,482</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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13. Loans and borrowings (continued)**Security**

The Group's loans and borrowings are secured by:

- i) Group's land and buildings and right-of-use assets as disclosed in Notes 3 and 4 respectively;
- ii) Joint and several guarantee by certain Directors; and
- iii) Corporate guarantee by the Company and a subsidiary.

Significant covenants

Certain borrowings are subject to the following covenants:

- i) Debt-to-equity ratio of the Group shall not exceed 1.0 time.
- ii) EBITDA interest cover ratio of the Group shall not exceed 3.50 time.
- iii) Debt-to-capitalisation ratio of the Australian's subsidiaries shall not exceed 0.50 time.
- iv) EBITDA interest cover ratio of the Australian's subsidiaries shall not exceed 3.50 time.

The Australian's subsidiaries were in breach of the debt-to-capitalisation ratio and received a waiver from the bank on 30 September 2021 in respect of this covenant.

Sukuk

The Group and the Company have established a Sukuk Wakalah Programme ("Sukuk") of RM1.0 billion in nominal value on 18 May 2021, pursuant to which it has issued on 28 May 2021, a RM200 million Sukuk with a maturity date of 28 May 2026, at a profit rate of 3.72% per annum and payable semi-annually.

Loan from a shareholder

Pursuant to the loan agreement dated 5 December 2019, there is a conversion right attached to the loan that allows the shareholder to convert the loan into ordinary shares. The conversion ratio is fixed with a variable element determined based on growth rate of the group as indicated in the audited profit after tax for the financial year ended 31 March 2020 and the financial year ended 31 March 2021. The loan has been fully settled during the financial period ended 30 September 2021.

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
30.9.2021			
Less than one year	5,867,044	903,440	4,963,604
Between one and five years	18,547,560	1,604,599	16,942,961
	<u>24,414,604</u>	<u>2,508,039</u>	<u>21,906,565</u>
31.3.2021			
Less than one year	18,197,980	1,957,227	16,240,753
Between one and five years	43,991,509	2,581,691	41,409,818
	<u>62,189,489</u>	<u>4,538,918</u>	<u>57,650,571</u>

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13. Loans and borrowings (continued)

Hire purchase liabilities (continued)

	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
31.3.2020			
Less than one year	8,824,333	1,047,205	7,777,128
Between one and five years	14,939,615	1,048,308	13,891,307
	<u>23,763,948</u>	<u>2,095,513</u>	<u>21,668,435</u>
31.3.2019			
Less than one year	4,208,784	595,160	3,613,624
Between one and five years	8,651,473	679,899	7,971,574
	<u>12,860,257</u>	<u>1,275,059</u>	<u>11,585,198</u>

14. Deferred income

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Government grant received				
At 1 April	8,010,455	7,558,774	7,558,774	6,557,236
Additions	--	451,681	--	1,001,538
At 30 September/ 31 March	8,010,455	8,010,455	7,558,774	7,558,774
Less: Amortisation				
At 1 April	(972,331)	(705,855)	(444,049)	(214,399)
Charge for the period/year	(135,349)	(266,476)	(261,806)	(229,650)
At 30 September/ 31 March	<u>(1,107,680)</u>	<u>(972,331)</u>	<u>(705,855)</u>	<u>(444,049)</u>
	<u>6,902,775</u>	<u>7,038,124</u>	<u>6,852,919</u>	<u>7,114,725</u>
Carrying amounts of government grant				
Non-current	6,632,078	6,768,263	6,598,723	6,848,860
Current	270,697	269,861	254,196	265,865
	<u>6,902,775</u>	<u>7,038,124</u>	<u>6,852,919</u>	<u>7,114,725</u>

The balances consist of government grants as follow:

- For the project of rehabilitation and replanting of pasture and fodder at the farm in Muadzam Shah. The grant is being amortised over useful life of the paddock;
- For the construction of the building and related infrastructure for milk processing plant at the plant in Muadzam Shah. The grant is being amortised over useful life of the milk processing plant; and
- For the implementation of Napier production projects as a sub-project to national dairy industry development project at Muadzam Shah. The grant is being amortised over useful life of the milk plant.

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15. Trade and other payables

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Trade payables	35,628,915	38,234,241	20,084,220	15,285,401
Other payables	19,231,950	24,850,222	15,984,885	11,206,240
Accrued expenses	14,813,498	10,985,196	8,562,189	5,558,146
Accrued advertising and promotional expenses	9,259,653	7,830,837	4,344,396	3,147,577
Due to Directors	868,655	897,881	1,057,621	954,449
Derivative financial liabilities	209,450	280,158	--	--
	<u>80,012,121</u>	<u>83,078,535</u>	<u>50,033,311</u>	<u>36,151,813</u>

Included in trade and other payables of the Group are amounts of RM48,739 (31.3.2021: RM1,109,969; 31.3.2020: RM1,627,197; 31.3.2019: RM836,176) due to a company in which a director cum minority shareholder of a subsidiary has substantial financial interests.

The amounts due to Directors are non-trade in nature, interest free, unsecured and have no fixed terms of repayment.

16. Revenue

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Revenue from contracts with customers					
-At a point in time	<u>257,186,523</u>	<u>234,423,294</u>	<u>490,498,015</u>	<u>303,067,489</u>	<u>178,226,605</u>

16.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable elements in consideration
Manufacturing and distribution of cow's and goat's milk, yogurt and plant-based related products.	Revenue is recognised when the goods are delivered and accepted by the customers	Credit period ranging from 7 - 75 days from invoice date or month-end date	Sales incentives and other sales related expenses are given to customers where the customers meet sales target or based on the agreed advertising and promotional activities

17. Finance income

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Interest income on net investment in lease	33,222	24,613	51,049	18,648	--
Other finance income	<u>361,869</u>	<u>116,987</u>	<u>176,984</u>	<u>27,289</u>	<u>212,838</u>
	<u>395,091</u>	<u>141,600</u>	<u>228,033</u>	<u>45,937</u>	<u>212,838</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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18. Finance costs

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Interest expense on lease liabilities	166,399	122,455	249,129	234,022	217,362
Other finance costs	5,483,708	3,927,595	9,735,212	6,246,683	4,278,994
	5,650,107	4,050,050	9,984,341	6,480,705	4,496,356
Less: Interest accrual	(2,586,494)	(1,530,856)	(3,152,084)	(1,176,655)	(835,811)
	<u>3,063,613</u>	<u>2,519,194</u>	<u>6,832,257</u>	<u>5,304,050</u>	<u>3,660,545</u>

19. Tax (credit)/expense

Recognised in profit or loss

Major components of income tax (credit)/expense include:

Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Current tax expense					
- Current period/years	857,000	3,822,940	10,671,033	256	73,496
- Prior period/years	2,186	--	--	2,186	5,414
	859,186	3,822,940	10,671,033	2,442	78,910
Deferred tax (credit)/expense					
- Origination and reversal of temporary differences	(1,720,114)	(310,477)	(1,130,065)	1,314,446	1,148,175
- (Over)/Under provision in prior period/years	(2,927,805)	(336,440)	(488,711)	477,000	(423,000)
	(4,647,919)	(646,917)	(1,618,776)	1,791,446	725,175
Additional tax for prior period/years	19.1 --	25,708,582	25,708,582	--	--
Reversal of tax	19.1 (10,490,033)	--	--	--	--
	<u>(14,278,766)</u>	<u>28,884,605</u>	<u>34,760,839</u>	<u>1,793,888</u>	<u>804,085</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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19. Tax (credit)/expense (continued)

Note	1.4.2021 to 30.9.2021 Audited RM'000	1.4.2020 to 30.9.2020 Unaudited RM'000	1.4.2020 to 31.3.2021 Audited RM'000	1.4.2019 to 31.3.2020 Audited RM'000	1.4.2018 to 31.3.2019 Audited RM'000
Reconciliation of tax (credit)/expense					
Profit before tax	35,206	37,515	67,589	36,176	28,181
Income tax calculated using Malaysian tax rate of 24%	8,406	9,003	16,222	8,682	6,763
Non-deductible expenses	616	438	2,506	776	126
Non-taxable income	--	--	--	--	(39)
Tax incentive	(6,004)	(4,478)	(11,255)	(7,946)	(5,691)
Effect of unrecognised deferred tax assets	(3,082)	(1,257)	3,292	(94)	226
Effect of different tax rate in foreign jurisdictions	(799)	(193)	(1,223)	(103)	(163)
	(863)	3,513	9,542	1,315	1,222
(Over)/Under provision in prior period/years					
- Current tax and deferred tax	(2,926)	(336)	(489)	479	(418)
- Additional tax for prior period/years	19.1 --	25,708	25,708	--	--
- Reversal of tax	19.1 (10,490)	--	--	--	--
	(13,416)	25,372	25,219	479	(418)
Tax (credit)/expense	(14,279)	28,885	34,761	1,794	804

19.1 As disclosed in Note 8, a subsidiary has 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. In the preparation of the audited financial statements for the year ended 31 March 2021, based on the resolution with the Inland Revenue Board ("IRB"), an additional tax payable and penalty (Additional Tax Amount) of RM25,708,582 has been provided in respect of these locations for the relevant prior years of assessment ("YA") from 2014 to 2020 (RM5,870,334 relates to YA 2020, RM5,139,424 relates to YA 2019 and the remaining amount of RM14,698,824 relates to YA 2014 to 2018).

Further, the Ministry of Finance ("MOF") has approved the application for inclusion of the additional locations, 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 has 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 is reversed in the financial period ended 30 September 2021.

13. ACCOUNTANTS' REPORT (Cont'd)

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20. Profit for the period/year

Note	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
	Profit for the period/ year is arrived at after charging/ (crediting)				
	Depreciation and amortisation:				
	- Property, plant and equipment				
	13,043,050	8,015,412	19,973,666	12,813,429	7,364,711
	- Right-of-use assets				
	774,396	573,143	1,236,926	1,129,761	926,399
	- Intangible assets				
	118,327	2,060	203,309	--	--
	Expenses relating to short-term leases				
a	2,614,181	654,399	2,781,426	490,057	72,814
	Expenses relating to leases of low-value assets				
a	10,686	14,764	24,051	223,658	13,084
	Write down of obsolete and slow-moving inventories				
	721,657	--	614,402	--	300,000
	Impairment loss/(Reversal of impairment loss) on:				
	- Property, plant and equipment				
	80,129	--	4,212,235	--	--
	- Trade receivables				
	(72,282)	--	609,145	--	180,000
	(Gain)/Loss on disposal of property, plant and equipment				
	(3,170)	1,647	(462,667)	(544,700)	334,140
	Personnel expenses (including key management personnel):				
	- Contribution to state plans				
	2,003,111	1,323,973	3,186,432	2,211,811	1,191,467
	- Wages, salaries and others				
	23,984,095	13,440,688	38,041,353	24,211,663	17,754,089
	Written off other receivables				
	--	--	411,486	--	--
	Rental income from subleasing of property				
	(827,586)	(404,810)	(1,012,969)	--	--
	Rental concession income				
	(109,793)	--	(224,700)	--	--
	Redundancy costs				
	4,929,876	--	3,099,374	--	--
	Government grant income				
b	--	(1,526,785)	(2,462,563)	--	--
	Amortisation of deferred income				
	(135,349)	(131,127)	(266,476)	(261,806)	(229,650)
	Net foreign exchange (gain)/loss				
	(38,939)	(75,499)	(14,055)	137,814	72,127
	(Gain)/Loss arising from changes in fair value of dairy cows and goats:				
	- Malaysian Farm				
	(8,229,071)	95,119	(3,996,068)	(1,185,197)	(3,410,792)
	- Australian Farm				
	<u>(1,994,819)</u>	<u>(1,161,053)</u>	<u>(325,137)</u>	<u>(174,332)</u>	<u>468,277</u>

Note a

The Group leases office and office equipment with contract terms of 1 to 2 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Note b

The government grant income was a non-recurring subsidy from Australian Government in respect of financial assistance on the Covid-19 pandemic outbreak.

13. ACCOUNTANTS' REPORT (Cont'd)

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21. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share as at each reporting periods was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Profit for the period/year attributable to owners	<u>50,742,660</u>	<u>9,384,148</u>	<u>36,228,078</u>	<u>35,219,859</u>	<u>27,435,359</u>

Weighted average number of ordinary shares are determined as follows:

	1.4.2021 to 30.9.2021 Audited	1.4.2020 to 30.9.2020 Unaudited	1.4.2020 to 31.3.2021 Audited	1.4.2019 to 31.3.2020 Audited	1.4.2018 to 31.3.2019 Audited
Weighted average number of ordinary shares	84,999,999	84,999,999	84,999,999	84,999,999	55,575,341
Effect of bonus issue (Note 30)	<u>1,550,000,138</u>	<u>1,550,000,138</u>	<u>1,550,000,138</u>	<u>1,550,000,138</u>	<u>1,013,432,799</u>
	<u>1,635,000,137</u>	<u>1,635,000,137</u>	<u>1,635,000,137</u>	<u>1,635,000,137</u>	<u>1,069,008,140</u>
Basic earnings per ordinary share (sen)	<u>3.1</u>	<u>0.6</u>	<u>2.2</u>	<u>2.2</u>	<u>2.6</u>

Diluted earnings per ordinary share

Pursuant to Note 13, the loan from a shareholder with attached conversion rights to ordinary shares has been fully settled during the financial period ended 30 September 2021. The calculation of diluted earnings per ordinary share as at each reporting periods 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:

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Profit attributable to ordinary shareholders (basic)	50,742,660	9,384,148	36,228,078	35,219,859	27,435,359
Interest expense on compound, instruments net of tax	<u>--</u>	<u>1,144,789</u>	<u>2,289,578</u>	<u>760,000</u>	<u>--</u>
Profit for the year attributable to owners (diluted)	<u>50,742,660</u>	<u>10,528,937</u>	<u>38,517,656</u>	<u>35,979,859</u>	<u>27,435,359</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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21. Earnings per ordinary share (continued)

Diluted earnings per ordinary share (continued)

Weighted average number of ordinary shares (diluted):

	1.4.2021 to 30.9.2021 Audited	1.4.2020 to 30.9.2020 Unaudited	1.4.2020 to 31.3.2021 Audited	1.4.2019 to 31.3.2020 Audited	1.4.2018 to 31.3.2019 Audited
Weighted average number of ordinary shares (basic)	1,635,000,137	1,635,000,137	1,635,000,137	1,635,000,137	1,069,008,140
Effect of conversion right (Note 13)	--	93,195,008	93,195,008	93,195,008	--
Weighted average number of ordinary shares (diluted)	<u>1,635,000,137</u>	<u>1,728,195,145</u>	<u>1,728,195,145</u>	<u>1,728,195,145</u>	<u>1,069,008,140</u>

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on the average price per share for the period during which the options were outstanding.

	1.4.2021 to 30.9.2021 Audited	1.4.2020 to 30.9.2020 Unaudited	1.4.2020 to 31.3.2021 Audited	1.4.2019 to 31.3.2020 Audited	1.4.2018 to 31.3.2019 Audited
Diluted earnings per ordinary share (sen)	<u>3.1</u>	<u>0.6</u>	<u>2.2</u>	<u>2.1</u>	<u>2.6</u>

The basic and diluted weighted average number of ordinary shares of previous period/years were restated to reflect the retrospective adjustments arising from the bonus issue completed on 27 December 2021 in accordance with MFRS 133, *Earnings Per Share*.

22. Operating segments

Group

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require 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, yogurt, and plant-based soya, oat and other related products.
- Australia's operation Includes rearing of dairy cows, production and marketing and sale of cow's milk, jam and sauces.

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.

13. ACCOUNTANTS' REPORT (Cont'd)

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22. Operating segments (continued)

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the Group Managing Director. Hence, no disclosure is made on segment assets and liabilities.

	Malaysia's Operation RM'000	Australia's Operation RM'000	Total RM'000
1.4.2021 to 30.9.2021			
Audited			
Segment profit/(loss)	46,923	(11,716)	35,207
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	227,650	29,537	257,187
Depreciation and amortisation	(10,411)	(3,524)	(13,935)
Impairment loss on property, plant and equipment	--	(80)	(80)
Redundancy costs	--	(4,930)	(4,930)
Finance costs	(4,364)	(1,286)	(5,650)
Finance income	335	60	395
<i>Information provided to Group Managing Director</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	30,689	8,220	38,909
1.4.2020 to 30.9.2020			
Unaudited			
Segment profit/(loss)	40,833	(3,318)	37,514
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	208,242	26,181	234,423
Depreciation and amortisation	(7,873)	(718)	(8,591)
Finance costs	(3,217)	(833)	(4,050)
Finance income	142	--	142
<i>Information provided to Group Managing Director</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	27,335	38,095	65,430

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22. Operating segments (continued)

	Malaysia's Operation RM'000	Australia's Operation RM'000	Total RM'000
1.4.2020 to 31.3.2021			
Audited			
Segment profit/(loss)	88,173	(20,584)	67,589
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	438,783	51,715	490,498
Depreciation and amortisation	(17,740)	(3,674)	(21,414)
Impairment loss on property, plant and equipment	--	(4,212)	(4,212)
Redundancy costs	--	(3,099)	(3,099)
Finance costs	(7,023)	(2,961)	(9,984)
Finance income	228	--	228
<i>Information provided to Group Managing Director</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	77,246	62,945	140,191
1.4.2019 to 31.3.2020			
Audited			
Segment profit/(loss)	38,053	(1,877)	36,176
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	272,878	30,189	303,067
Depreciation and amortisation	(13,297)	(646)	(13,943)
Finance costs	(4,768)	(1,713)	(6,481)
Finance income	46	--	46
<i>Information provided to Group Managing Director</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	67,633	29,833	97,466
1.4.2018 to 31.3.2019			
Audited			
Segment profit/(loss)	29,213	(1,032)	28,181
<i>Included in the measure of segment profit are:</i>			
Revenue from external customers	162,387	15,840	178,227
Depreciation and amortisation	(8,115)	(176)	(8,291)
Finance costs	(3,404)	(1,092)	(4,496)
Finance income	213	--	213
<i>Information provided to Group Managing Director</i>			
Additions to non-current assets other than financial instruments and deferred tax assets	53,490	8,198	61,688

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22. Operating segments (continued)

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	1.4.2021 to 30.9.2021 Audited RM'000	1.4.2020 to 30.9.2020 Unaudited RM'000	Revenue 1.4.2020 to 31.3.2021 Audited RM'000	1.4.2019 to 31.3.2020 Audited RM'000	1.4.2018 to 31.3.2019 Audited RM'000
Malaysia	217,453	198,856	420,072	262,670	155,058
Australia	29,537	26,181	51,715	30,189	15,840
Singapore	9,858	9,386	17,817	10,208	7,329
Brunei	339	--	894	--	--
Total	257,187	234,423	490,498	303,067	178,227

Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue RM'000	Segment
1.4.2021 to 30.9.2021		
Audited		
Customer A	<u>34,024</u>	Malaysia's operation
1.4.2020 to 30.9.2020		
Unaudited		
Customer A	<u>27,531</u>	Malaysia's operation
1.4.2020 to 31.3.2021		
Audited		
Customer A	<u>60,249</u>	Malaysia's operation
1.4.2019 to 31.3.2020		
Audited		
Customer A	<u>32,632</u>	Malaysia's operation
1.4.2018 to 31.3.2019		
Audited		
Customer A	<u>21,242</u>	Malaysia's operation

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments

23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC")
 (b) Fair value through profit or loss ("FVTPL")
 - Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
30.9.2021			
Financial assets			
Trade and other receivables	85,850	85,850	--
Cash and cash equivalents	59,628	59,628	--
	<u>145,478</u>	<u>145,478</u>	<u>--</u>
Financial liabilities			
Loans and borrowings	(276,990)	(276,990)	--
Trade and other payables	(79,803)	(79,803)	--
Derivative financial liabilities	(209)	--	(209)
	<u>(357,002)</u>	<u>(356,793)</u>	<u>(209)</u>
31.3.2021			
Financial assets			
Trade and other receivables	85,233	85,233	--
Cash and cash equivalents	11,724	11,724	--
	<u>96,957</u>	<u>96,957</u>	<u>--</u>
Financial liabilities			
Loans and borrowings	(241,943)	(241,943)	--
Trade and other payables	(82,798)	(82,798)	--
Derivative financial liabilities	(280)	--	(280)
	<u>(325,021)</u>	<u>(324,741)</u>	<u>(280)</u>
31.3.2020			
Financial assets			
Trade and other receivables	71,173	71,173	--
Cash and cash equivalents	7,479	7,479	--
	<u>78,652</u>	<u>78,652</u>	<u>--</u>
Financial liabilities			
Loans and borrowings	(148,676)	(148,676)	--
Trade and other payables	(50,033)	(50,033)	--
	<u>(198,709)</u>	<u>(198,709)</u>	<u>--</u>
31.3.2019			
Financial assets			
Trade and other receivables	41,761	41,761	--
Cash and cash equivalents	3,487	3,487	--
	<u>45,248</u>	<u>45,248</u>	<u>--</u>
Financial liabilities			
Loans and borrowings	(60,044)	(60,044)	--
Trade and other payables	(36,152)	(36,152)	--
	<u>(96,196)</u>	<u>(96,196)</u>	<u>--</u>

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23. Financial instruments (continued)**23.2 Net gains and losses arising from financial instruments**

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Net gains/(losses) on: Fair value through profit and loss					
- Mandatorily required by MFRS 9	(69,288)	(505,601)	(263,389)	--	--
Financial assets at amortised cost	1,359,516	116,987	(738,103)	27,289	23,729
Financial liabilities at amortised cost	<u>(6,871,577)</u>	<u>(3,920,935)</u>	<u>(9,563,312)</u>	<u>(6,384,497)</u>	<u>(4,351,121)</u>
	<u>(5,581,349)</u>	<u>(4,309,549)</u>	<u>(10,564,804)</u>	<u>(6,357,208)</u>	<u>(4,327,392)</u>

23.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

23.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. There are no significant changes as compared to prior period.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there was no significant concentrations of credit risk and maximum exposure to credit risk arising from trade receivables, amounts due from subsidiaries are represented by the carrying amounts in the consolidated statement of financial position.

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)**23.4 Credit risk (continued)****Trade receivables (continued)***Recognition and measurement of impairment loss*

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. The Group grants credit period ranging from 7 - 75 days from invoice date or month-end date. Hence, any receivables having significant balances past due more than 90 days, shall be considered as credit impaired and monitored individually.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
30.9.2021			
Current (not past due)	61,703	--	61,703
1 - 30 days past due	14,930	--	14,930
31 - 60 days past due	1,811	--	1,811
61 - 90 days past due	132	--	132
	<u>78,576</u>	--	<u>78,576</u>
Credit impaired			
More than 90 days past due	594	180	414
Individually impaired	21	16	5
	<u>79,191</u>	<u>196</u>	<u>78,995</u>
31.3.2021			
Current (not past due)	59,010	--	59,010
1 - 30 days past due	16,856	--	16,856
31 - 60 days past due	717	--	717
61 - 90 days past due	233	--	233
	<u>76,816</u>	--	<u>76,816</u>
Credit impaired			
More than 90 days past due	608	180	428
Individually impaired	665	665	--
	<u>78,089</u>	<u>845</u>	<u>77,244</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)

23.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.3.2020			
Current (not past due)	44,177	--	44,177
1 - 30 days past due	16,060	--	16,060
31 - 60 days past due	3,157	--	3,157
61 - 90 days past due	167	--	167
	<u>63,561</u>	--	<u>63,561</u>
Credit impaired			
More than 90 days past due	432	165	267
Individually impaired	31	31	--
	<u>64,024</u>	<u>196</u>	<u>63,828</u>
31.3.2019			
Current (not past due)	23,056	--	23,056
1 - 30 days past due	7,908	--	7,908
31 - 60 days past due	670	--	670
61 - 90 days past due	275	--	275
	<u>31,909</u>	--	<u>31,909</u>
Credit impaired			
More than 90 days past due	1,070	190	880
Individually impaired	6	6	--
	<u>32,985</u>	<u>196</u>	<u>32,789</u>

The movements in the allowance for impairment in respect of trade receivables during the period/year are shown below.

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
At 1 April	845	196	196	16
Net remeasurement of loss allowance	(72)	609	--	180
Written off	(615)	--	--	--
Exchange differences	38	40	--	--
At 30 September/31 March	<u>196</u>	<u>845</u>	<u>196</u>	<u>196</u>

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)**23.4 Credit risk (continued)****Other receivables**

The Group monitors the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position. There is no history of default on other receivables and there is no indicator these other receivables may default. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Net investment in a lease

Risk management objectives, policies and processes for managing the risk

The Group manages credit risk on net investment in a lease together with its leasing arrangements.

At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the consolidated statement of financial position.

There is no history of default on the investment in lease and there is no indicator this lease may default. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

23.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)

23.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
30.9.2021							
<i>Non-derivative financial liabilities</i>							
Secured bankers' acceptances	27,598	1.74 - 3.11	27,598	27,598	--	--	--
Secured hire purchase liabilities	21,907	1.96 - 5.33	21,907	4,964	4,994	11,949	--
Secured term loans	24,774	2.66 - 5.60	26,670	1,782	1,782	20,431	2,675
Trade and other payables	79,803	--	79,803	79,803	--	--	--
Sukuk	202,548	3.72	237,221	7,481	7,420	222,320	--
Lease liabilities	7,186	4.21 - 5.00	11,228	1,363	859	1,644	7,362
Short term financing	164	5.50	164	164	--	--	--
	<u>363,980</u>		<u>404,591</u>	<u>123,155</u>	<u>15,055</u>	<u>256,344</u>	<u>10,037</u>
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
- Outflow	209	--	591	591	--	--	--
- Inflow	--	--	(382)	(382)	--	--	--
	<u>364,189</u>		<u>404,800</u>	<u>123,364</u>	<u>15,055</u>	<u>256,344</u>	<u>10,037</u>
31.3.2021							
<i>Non-derivative financial liabilities</i>							
Loan from a shareholder	34,012	10.00	36,300	36,300	--	--	--
Secured bankers' acceptances	62,180	3.12 - 3.28	62,180	62,180	--	--	--
Secured hire purchase liabilities	57,651	2.46 - 6.09	62,189	18,197	15,509	28,483	--
Secured term loans	68,668	3.75 - 7.35	77,082	11,384	10,796	46,086	8,816
Bank overdraft	14,272	4.21	14,272	14,272	--	--	--
Trade and other payables	83,079	--	83,079	83,079	--	--	--
Revolving credits	4,074	5.60	4,074	4,074	--	--	--
Lease liabilities	7,014	4.21 - 5.00	11,184	1,170	958	1,515	7,541
Short term financing	1,086	5.50	1,086	1,086	--	--	--
	<u>332,036</u>		<u>351,446</u>	<u>231,742</u>	<u>27,263</u>	<u>76,084</u>	<u>16,357</u>
<i>Derivative financial liabilities</i>							
Forward exchange contracts (gross settled):							
- Outflow	280	--	703	703	--	--	--
- Inflow	--	--	(423)	(423)	--	--	--
	<u>332,316</u>		<u>351,726</u>	<u>232,022</u>	<u>27,263</u>	<u>76,084</u>	<u>16,357</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)

23.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/coupon/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
31.3.2020							
<i>Non-derivative financial liabilities</i>							
Loan from a shareholder	31,000	10.00	36,300	--	--	36,300	--
Secured bankers' acceptances	38,278	3.95 - 4.55	38,278	38,278	--	--	--
Secured hire purchase liabilities	21,668	2.46 - 6.50	23,764	8,824	7,498	7,442	--
Secured term loans	49,775	2.50 - 8.10	53,513	4,532	39,616	7,030	2,335
Bank overdraft	7,955	2.98 - 8.25	7,955	7,955	--	--	--
Trade and other payables	50,033	--	50,033	50,033	--	--	--
Lease liabilities	5,038	5.00	7,874	693	644	1,325	5,212
	<u>203,747</u>		<u>217,717</u>	<u>110,315</u>	<u>47,758</u>	<u>52,097</u>	<u>7,547</u>
31.3.2019							
<i>Non-derivative financial liabilities</i>							
Secured bankers' acceptances	7,917	4.88 - 5.00	7,917	7,917	--	--	--
Secured hire purchase liabilities	11,585	2.29 - 4.50	12,860	4,209	3,917	4,734	--
Secured term loans	36,285	3.75 - 8.00	41,610	5,807	21,362	10,681	3,760
Bank overdraft	4,258	4.80	4,258	4,258	--	--	--
Trade and other payables	36,152	--	36,152	36,152	--	--	--
Lease liabilities	4,432	5.00	7,565	322	456	1,167	5,620
	<u>100,629</u>		<u>110,362</u>	<u>58,665</u>	<u>25,735</u>	<u>16,582</u>	<u>9,380</u>

23.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR"), Australian Dollar ("AUD") and New Zealand Dollar ("NZD").

Risk management objectives, policies and processes for managing the risk

The Group does not hedge their financial assets and liabilities.

Foreign exchange exposures in transactional currencies other than the functional currency of the Group is kept to an acceptable level.

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)

23.6 Market risk (continued)

Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currencies (a currency which is other than the functional currency of Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	USD RM'000	SGD RM'000	Denominated in EUR RM'000	AUD RM'000	NZD RM'000
30.9.2021					
Cash and cash equivalents	1	32	--	1	--
Trade and other receivables	47	3,238	--	--	--
Trade and other payables	(40)	(48)	(162)	(1,043)	--
	<u>8</u>	<u>3,222</u>	<u>(162)</u>	<u>(1,042)</u>	<u>--</u>
31.3.2021					
Cash and cash equivalents	6	118	2	3	--
Trade and other receivables	1,346	2,601	--	--	--
Trade and other payables	(564)	(35)	(301)	(1,059)	(1,285)
	<u>788</u>	<u>2,684</u>	<u>(299)</u>	<u>(1,056)</u>	<u>(1,285)</u>
31.3.2020					
Cash and cash equivalents	6	230	2	239	--
Trade and other receivables	--	3,304	63	2	--
Trade and other payables	(777)	(55)	(1,260)	(1,627)	--
	<u>(771)</u>	<u>3,479</u>	<u>(1,195)</u>	<u>(1,386)</u>	<u>--</u>
31.3.2019					
Cash and cash equivalents	1	--	1	1	--
Trade and other receivables	42	3,796	--	--	--
Trade and other payables	(472)	--	(1,041)	(923)	--
	<u>(429)</u>	<u>3,796</u>	<u>(1,040)</u>	<u>(922)</u>	<u>--</u>

Currency risk sensitivity analysis

A 10% (31.3.2021: 10%; 31.3.2020: 10%; 31.3.2019: 10%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted shares and purchases.

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
USD	(1)	(60)	59	33
SGD	(245)	(204)	(264)	(288)
EUR	12	23	91	79
AUD	79	80	105	70
NZD	--	98	--	--

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)

23.6 Market risk (continued)

Currency risk (continued)

Currency risk sensitivity analysis (continued)

A 10% (31.3.2021: 10%; 31.3.2020: 10%; 31.3.2019: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's investments in fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

Risk management objectives, policies and processes for managing the risk

Exposure to interest risk is monitored on an ongoing basis and the Group endeavours to keep the exposure at an acceptable level.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments and lease liabilities, based on carrying amounts as at the end of the reporting period was:

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Fixed rate instruments				
Financial assets	1,303	1,487	1,063	1,000
Financial liabilities	(232,376)	(165,776)	(106,285)	(38,504)
Lease liabilities	(7,186)	(7,014)	(5,038)	(4,432)
	<u>(238,259)</u>	<u>(171,303)</u>	<u>(110,260)</u>	<u>(41,936)</u>
Floating rate instruments				
Financial liabilities	<u>(44,614)</u>	<u>(76,167)</u>	<u>(42,391)</u>	<u>(17,109)</u>

Interest rate risk sensitivity analysis(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Financial instruments (continued)**23.6 Market risk (continued)****Interest rate risk (continued)***Interest rate risk sensitivity analysis (continued)**(b) Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis point ("bp") in interest rate at the end of the reporting period would have decreased equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000
30.9.2021		
Floating rate instruments	<u>(339)</u>	<u>339</u>
31.3.2021		
Floating rate instruments	<u>(579)</u>	<u>579</u>
31.3.2020		
Floating rate instruments	<u>(322)</u>	<u>322</u>
31.3.2019		
Floating rate instruments	<u>(130)</u>	<u>130</u>

23.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables, payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The carrying amount of floating rate term loans approximate their fair values as their effective interest rates change according to movements in the market interest rates.

The carrying amount of the hire purchase liabilities approximate their fair values as their effective interest rates are reflective of the current market interest rates.

The carrying amount of the Sukuk approximates its fair values as it was issued in May 2021 and there is no significant change in the market interest rate.

24. Acquisition of property, plant and equipment

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
Current year's addition	29,640,617	62,176,049	118,884,742	78,804,012	44,649,240
Less: Property, plant and equipment acquired from hire purchase liabilities	--	<u>(11,527,554)</u>	<u>(43,790,778)</u>	<u>(16,959,030)</u>	<u>(5,940,216)</u>
	<u>29,640,617</u>	<u>50,648,495</u>	<u>75,093,964</u>	<u>61,844,982</u>	<u>38,709,024</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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25. Capital management

The Group's objectives when managing capital is to maintain a strong capital base to fund its growth and safeguard the Group's ability to continue as a going concern. The Group capital is represented by its total equity in the consolidated statement of financial position.

The Directors monitor the adequacy of capital on an ongoing basis, whilst maintaining optimal debt-to-equity ratio that complies with debt covenants and meets its operating needs. The Group is required to maintain a debt-to-equity ratio of not more than 1.0 time in accordance with the specified formulas as stated in the respective facility agreement and trust deed.

The debt-to-equity ratios monitored by the Group as part of its capital management at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 were as follows:

	30.9.2021 RM'000	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Total loans and borrowings (Note 13)	276,990	241,943	148,676	60,045
Lease liabilities	7,186	7,014	5,038	4,432
Less: Cash and cash equivalents (Note 10)	<u>(59,628)</u>	<u>(11,724)</u>	<u>(7,479)</u>	<u>(3,487)</u>
Net debt	<u>224,548</u>	<u>237,233</u>	<u>146,235</u>	<u>60,990</u>
Total equity	<u>282,842</u>	<u>241,030</u>	<u>197,765</u>	<u>163,811</u>
Debt-to-equity ratio	<u>0.79</u>	<u>0.98</u>	<u>0.74</u>	<u>0.37</u>

There were no changes in the Group's approach to capital management during the financial year.

26. Capital commitment

	30.9.2021 RM	31.3.2021 RM	31.3.2020 RM	31.3.2019 RM
Capital expenditure commitment				
Property, plant and equipment				
Contracted but not provided for	7,310,148	1,046,153	6,271,943	1,950,209
Intangible assets				
Contracted but not provided for	<u>331,016</u>	<u>274,021</u>	<u>--</u>	<u>--</u>
	<u>7,641,164</u>	<u>1,320,174</u>	<u>6,271,943</u>	<u>1,950,209</u>

27. Related parties**Identity of related parties**

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, person/companies connected to Directors, shareholder, government related entities and key management personnel.

13. ACCOUNTANTS' REPORT (Cont'd)

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27. Related parties (continued)

Significant related party transactions

The significant related party transactions of the Group are shown below. The balances related to the below transactions are shown in Notes 7, 13 and 15.

	1.4.2021 to 30.9.2021 Audited RM	1.4.2020 to 30.9.2020 Unaudited RM	1.4.2020 to 31.3.2021 Audited RM	1.4.2019 to 31.3.2020 Audited RM	1.4.2018 to 31.3.2019 Audited RM
A. Key management personnel					
<i>Directors</i>					
Remuneration	<u>818,395</u>	<u>1,165,691</u>	<u>3,608,559</u>	<u>1,672,816</u>	<u>1,691,849</u>
<i>Other key management personnel</i>					
Remuneration	<u>1,407,582</u>	<u>87,462</u>	<u>257,803</u>	<u>200,683</u>	<u>143,623</u>
B. Minority shareholder in a subsidiary					
Purchase of biological assets and other animal health related products	<u>3,340,901</u>	<u>83,626</u>	<u>9,692,186</u>	<u>8,751,051</u>	<u>8,944,573</u>
C. Person connected to Directors					
Purchase of motor vehicles	<u>15,000</u>	<u>--</u>	<u>--</u>	<u>200,000</u>	<u>60,597</u>
D. Companies connected to Directors					
Sales of trading goods	--	732,089	1,018,588	5,211,272	5,288,011
Service fees	--	192,000	293,000	202,500	--
Rental expenses	<u>9,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
E. Shareholder					
Loan from shareholder	--	--	--	30,000,000	--
Interest accrual	551,507	1,432,877	3,012,603	1,000,000	--
Logistics services from an associate of a shareholder	90,574	553,932	599,462	1,615,441	1,360,444
Rental expenses payable to a subsidiary of a shareholder	--	46,254	57,817	75,612	35,783
Purchase of raw material from a subsidiary of a shareholder	--	180,000	345,000	--	--

13. ACCOUNTANTS' REPORT (Cont'd)

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27. Related parties (continued)**F. Government - related entities**

30% of the Company's shares is held by a wholly-owned subsidiary of Khazanah Nasional Berhad which is owned by the Government of Malaysia.

As a result, the Malaysian Government owned entities (collectively referred to as "government-related entities") are related parties of the Group.

The Group had entered into transactions with government-related entities in the ordinary course of business operations, which include but are not limited to utilities and financial and treasury services. The Group is principally involved in rearing of dairy cows and goats and the production, marketing and sale of consumers' products. These transactions are on commercial terms that are consistently applied to all customers and are comparable to those with other entities that are not government-related and as such are not disclosed in these financial statements.

The estimated monetary value of Directors' benefit-in-kind is NIL (2020: RM65,760; 2019: RM16,440).

28. Acquisition of a business

On 22 October 2019, the Group has entered into business purchase agreement with Shepparton Partners Collective Group to acquire an existing fruit and vegetable processing factory business in Kyabram for a total cash consideration of RM22,795,819 via The Holstein Milk Company (Australia) Pty Ltd ("THMCA"). The transaction was completed on 15 December 2019.

The Group has incorporated a wholly-owned subsidiary under THMCA namely Henry Jones Foods Pty Ltd ("HJFPL") to account for this business acquisition. During the financial year ended 31 March 2020, the subsidiary contributed revenue of RM7,539,745 and loss of RM257,193. If the acquisition had occurred on 1 April 2019, management estimates that consolidated revenue would have been RM319,330,165 and consolidated profit for the financial year would have been RM38,308,136. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2019.

The following summarise the consideration paid and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	RM
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	9,659,505
Deferred tax assets	381,308
Intangible assets	2,993,428
Inventories	6,561,359
Trade and other payables	<u>(1,271,024)</u>
Fair value of identifiable net assets	<u>18,324,576</u>
Net cash outflow arising from acquisition of a business	
Purchase consideration settled in cash and cash equivalents	<u>22,795,819</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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28. Acquisition of a business (continued)**Goodwill**

Goodwill was recognised as a result of the acquisition as follows:

	RM
Total consideration transferred	22,795,819
Fair value of identifiable net assets	<u>(18,324,576)</u>
Goodwill	<u>4,471,243</u>

The goodwill is attributable mainly to the skills and technical talent of HJFPL's work force, and the synergies expected to be achieved. None of the goodwill recognised is expected to be deductible for income tax purpose.

Acquisition-related costs

The Group incurred acquisition-related costs of RM504,832 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

29. Significant event

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 the business acquisition described in Note 28.

In the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

30. Subsequent event

- (a) On 27 December 2021, the Company undertook a Bonus Issue of 1,550,000,138 new ordinary shares to the shareholders. The Bonus Issue was implemented without capitalising the retained earnings or reserves and such new ordinary shares were issued at nil consideration.

The Bonus Issue was completed and Shares were credited as fully paid-up on a pro rata basis to the existing shareholders based on their respective shareholdings in the Company such that their effective shareholding in the Company will be the same before and after the Bonus Issue.

- (b) On 27 January 2022, the Company incorporated a wholly-owned subsidiary, Farm Fresh Milk (HK) Limited in Hong Kong.
- (c) On 8 February 2022, the Group has entered into an agreement to acquire a farm property at McEwan Road in Kyabram, Victoria, Australia with a size of approximately 300 acres for a purchase consideration of AUD3.5 million. The completion of the acquisition of the farm property is subject to the approval from Australia's Foreign Investment Review Board.

13. ACCOUNTANTS' REPORT (Cont'd)

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31. Investments in subsidiaries

Details of the subsidiaries are as follows:

Name	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest		
			30.9.2021 %	31.3.2021 %	31.3.2019 %
Farm Fresh Milk Sdn. Bhd.	Malaysia	Rearing of dairy cows and goats and the production, marketing and sale of cow's and goat's milk	100	100	100
GEM Organics (M) Sdn. Bhd.	Malaysia	Property holding	100	100	100
AFS Dairy Company Australia Pty Ltd	Australia	Holding of the semen and embryos of Australian Friesian Sahiwal dairy cattle	100	100	100
Holstein Dairy (Desaru) Sdn. Bhd.	Malaysia	Rearing of dairy cows and sale of cow's milk	100	100	100
Holstein Selama Dairy Sdn. Bhd.	Malaysia	Rearing of dairy cows and sale of cow's milk	100	100	--
Serdang Dairy Sdn. Bhd.	Malaysia	Rearing of dairy cows and sale of cow's milk	100	100	--
The Holstein Milk Company (M) Sdn. Bhd.	Malaysia	Dormant	100	--	--
Farm Fresh Milk (HK) Limited*	Hong Kong	Dormant	--	--	--
The Holstein Milk Company (Australia) Pty Ltd#	Australia	Investment holding	80	80	80
Subsidiaries of The Holstein Milk Company (Australia) Pty Ltd					
Goulburn Valley Creamery Pty Ltd#	Australia	Rearing of dairy cows and the production, marketing and sale of cow's milk	80	80	80
Henry Jones Foods Pty Ltd#	Australia	Manufacturing of jam and sauces	80	80	--

Not audited by KPMG PLT

* Incorporated on 27 January 2022

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of this Prospectus.
- (ii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in Sections 4.2.1, 4.2.6 and 6.1.2 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the past three FYE 31 March 2019, 2020 and 2021, FPE 30 September 2021 and the subsequent period from 1 October 2021 up to the LPD.
- (iv) As at the date of this Prospectus, save for the Issue Shares reserved for subscription by our Eligible Persons as disclosed in Section 4.2.3 of this Prospectus and the ESOS as disclosed in Section 4.2.6 of this Prospectus, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.
- (v) Save for the ESOS and BDSB's subscription for 33% ordinary shares in Holstein Dairy (Desaru) as disclosed under Sections 4.2.6, 6.3.3 and 14.6.1 of this Prospectus, we have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.
- (vi) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in Sections 2.2 and 12.4 of this Prospectus and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution. The description below is only a summary and is qualified in its entirety by the provisions of our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions will bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Meaning
"Act"	The Companies Act 2016, as amended, substituted or re-enacted from time to time.
"Board" or "Board of Directors"	The board of directors for the time being of the Company.
"Board Meeting"	A meeting of the Directors of the Company.
"Bursa Securities"	Bursa Malaysia Securities Berhad.
"Central Depositories Act"	the Securities Industry (Central Depositories) Act 1991 and any statutory modification, amendment or re-enactment thereof and every other legislation made thereunder for the time being in force.

14. ADDITIONAL INFORMATION (Cont'd)

Words	Meaning
"Company"	Farm Fresh Berhad.
"Constitution"	The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution of the Company.
"Deposited Security"	A security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depository"	Bursa Malaysia Depository Sdn Bhd or such other name by which it shall be known from time to time.
"Directors"	The directors for the time being of the Company (inclusive of alternate or nominee directors).
"General Meeting"	A meeting of the Members.
"Listing Requirements"	Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time.
"Member"	<p>(a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or</p> <p>(b) a depositor who will be treated as if he was a member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee.</p> <p>Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.</p>
"Record of Depositors"	A record provided by the Depository to the Company under Chapter 24.0 of the Rules.
"Rules"	The Rules of Depository as defined under Section 2 of the Central Depositories Act and any appendices thereto, including any amendment that may be made from time to time.
"Security" or "Securities"	has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.
"Securities Account"	An account established by the Depository for a Depositor for the recording of deposit of Securities of the Company and for dealing in such Securities by the Depositor.
"Shareholder"	A holder of one or more share(s) in the Company.
"Share Issuance Scheme"	A scheme involving the allotment and issuance or transfer of shares and/or grant of options, whether physically settled or otherwise, to subscribe for or purchase shares of the Company to eligible Directors, officers and/or employees.

14. ADDITIONAL INFORMATION (Cont'd)**14.2.1 Transfer of Shares****Clause 14 - Transfer of Securities**

"The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities."

Clause 20 - Closing the Register of Members or Register of Debenture Holders

"On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year."

14.2.2 Remuneration of Directors**Clause 84 – Remuneration of Managing and Executive Directors**

"A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine."

Clauses 89(1) and (2) – Remuneration of Alternate Directors

"An Alternate Director:

- (1) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the appointer's remuneration; and
- (2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the appointer from the Company."

Clauses 93(1), (2), (3) and (5) – Remuneration of Directors

- "(1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors who hold non-executive office with the Company, for their service as non-executive Directors.
- (2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

14. ADDITIONAL INFORMATION (Cont'd)

- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover."

Clause 93(4) – Expenses

- "(4) The following expenses shall be determined by the Directors:
- (a) Travelling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and
- (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties."

14.2.3 Voting and Borrowing power of Directors**Clause 95 – Borrowing, mortgage, issue debentures and lending or advance of money**

"Without limiting the generality of Directors exercising all the powers necessary for managing, directing and supervising the management of the business or affairs of the Company, the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

- (1) borrow money, raise funds and/or accept credit facilities;
- (2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;
- (3) issue debentures and other Securities whether outright or as security for any debt, liability or obligation of the Company, its subsidiaries or any other party; and/or
- (4) (a) lend and advance money or give credit to any person or company;
- (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;
- (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company."

14. ADDITIONAL INFORMATION (Cont'd)**Clause 105 – Directors' Interest in Contracts**

- "(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest (and if he shall do so his vote shall not be counted) nor shall his vote be counted for the purpose of any resolution regarding the same.
- (b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act."

Clause 118 – Voting at Board Meetings

- "(1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.
- (2) Each Director is entitled to cast one (1) vote on each matter for determination."

Clause 119 – Casting Vote

"In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote."

14.2.4 Changes in capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**Clauses 8(1) and (3)– Variation of Rights**

- "(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:
- (a) with the consent in writing of the holders holding not less than seventy-five percent (75.0%) of the total voting rights of the holders of that class of shares; or
- (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.
- (3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:
- (a) the terms of the issue of the existing preference shares; or
- (b) this Constitution as in force at the time when the existing preference shares were issued."

14. ADDITIONAL INFORMATION (Cont'd)**Clauses 12(1) and (2) – Issue of Securities**

- "(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:
- (a) issue and allot shares in the Company; and
 - (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):
- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
 - (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
 - (c) for such consideration as the Directors may determine."

Clause 12(3) – Restriction on Issue

"Sub-Clauses 12(1) and (2) above shall be subject to the following provisions:

- (1) the Company shall not offer, issue, allot, grant options over shares, grant any right or right to subscribe for shares or any rights or rights to convert any Securities into shares or otherwise deal with or dispose of shares which will or may have the effect of transferring a controlling interest in the Company without the prior approval of the Members in General Meeting;
- (2) no Director shall participate in a Share Issuance Scheme unless the Members in General Meeting have approved the specific allotment to such Director; and
- (3) the rights attached to shares of a class other than ordinary shares shall be expressed in the resolution creating them."

Clauses 46(1), (2) and (3) – Alteration of Capital

- "(1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:
- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or
 - (b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

14. ADDITIONAL INFORMATION (Cont'd)

- (2) The Company may from time to time by special resolution and subject to other applicable requirements:
- (a) cancel shares, which at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or
 - (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.
- (3) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof."

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance Incorporated and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights, on our Shares which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION**(i) Malaysia**

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government of Malaysia does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

14. ADDITIONAL INFORMATION (Cont'd)

(ii) Australia

Repatriation of Capital from Australia

A company may pay dividends to members, subject to requirements of the *Corporations Act 2001* (Cth) ("**Corporations Act**"), the company's constitution and the shareholders deed (if any), and general law.

Under the Corporations Act, a company must not pay a dividend unless:

- (a) it has positive net assets before and after the payment;
- (b) the dividend is fair and reasonable to the company's members as a whole; and
- (c) the dividend does not materially prejudice the company's ability to pay its creditors.

Where dividends are distributed by our wholly-owned subsidiaries, i.e. either THMC (Australia) or AFS Dairy Company, those dividends should constitute Australian-sourced assessable income of our Company. If dividend is franked (effectively paid from taxed profits), it should not be subject to Australian withholding tax.

Returns of capital

A return of capital paid by either THMC (Australia) or AFS Dairy Company to our Company should not be subject to Australian withholding tax, except where the capital return is characterised as a dividend for Australian income tax purposes.

A return of capital can be characterised as a dividend for Australian income tax purposes if, amongst other things:

- either THMC (Australia)'s or AFS Dairy Company's share capital account is a 'tainted' share capital account; or
- where it is concluded by the Australian Commissioner of Taxation ("**Commissioner**") that certain capital benefits are provided to shareholders in substitution for dividends.

Since THMC (Australia), Goulburn Valley Creamery and Henry Jones Foods are members of an Australian income tax consolidated group, transactions between those entities are disregarded for Australian income tax purposes. Accordingly, there will not be any Australian income tax implications for a return of capital paid to THMC (Australia) from either Goulburn Valley Creamery or Henry Jones Foods.

Foreign investment into Australia

Certain foreign investments in Australian businesses and land require the approval of the Treasurer of the Australian Commonwealth Government ("**Treasurer**"). The body responsible for administering the application and review process is the Foreign Investment Review Board ("**FIRB**"). Once an application is lodged with the FIRB, the FIRB engages in a consultation process with the relevant Australian government departments in respect of the application and makes a recommendation to the Treasurer who ultimately determines the outcome of the decision. A number of different monetary thresholds exist that determine whether FIRB approval is required, depending upon the residency of the foreign investor, the type of investment being made into Australia (i.e. business or land proposals) and the type of industry of such investment (i.e. general business, media or agricultural).

14. ADDITIONAL INFORMATION (Cont'd)

Generally, proposals to acquire an interest of 20% or more in Australian securities, assets or trusts (being a "substantial interest") will require prior FIRB approval where the value of the securities, assets or trusts exceeds the applicable monetary threshold. Different monetary thresholds apply for some industries, such as agribusiness. Further, there is no monetary threshold applicable with respect investments by foreign government investors, some land proposals and notifiable national security actions. This last category can include acquisitions of interests in businesses which own or operate critical infrastructure, telecommunications businesses or which provide critical military-use goods, technology or services to Australia's defence or intelligence communities. FIRB also has a residual "call-in" power to review certain reviewable national security actions taken based on national security concerns.

Where FIRB notification for a certain transaction is compulsory under the *Foreign Acquisition and Takeovers Act 1975 (Cth)*, that a transaction cannot be completed until FIRB approval is obtained. The Treasurer can prohibit foreign investment proposals found to be contrary to the national interest or can impose conditions on an investment to address national interest concerns.

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus and up to the date of this Prospectus:

14.6.1 Joint Venture Agreement dated 23 February 2015 entered into between Farm Fresh and Bio Desaru Sdn Bhd ("BDSB") (as supplemented by the supplementary agreement dated 17 May 2018) ("JVA")

Background

- (a) BDSB has agreed to lease the following pieces of land for a period of 30 years to Holstein Dairy (Desaru) to operate our Desaru Farm:
 - (i) a portion of the land held under HSD 32179, PTD 1721, Mukim Sedili Kechil, Kota Tinggi, Johor ("PTD 1721") measuring 300 acres ("**Demised Premises 1**"); and
 - (ii) a portion of the land held under HSD 32179, PTD 1721 and under HSD 32180, PTD 1722, Mukim Sedili Kechil, Kota Tinggi, Johor ("PTD 1722") measuring 25 acres ("**Demised Premises 2**")

(collectively, the "**Demised Premises**").
- (b) Holstein Dairy (Desaru) is using Demised Premises 1 for dairy farming, breeding and herd improvement and under the JVA, Demised Premises 2 is to be used for processing of cheese products. As at the LPD, Demised Premises 2 remains vacant and Holstein Dairy (Desaru) has yet to commence any operations on it.
- (c) In respect of Demised Premises 1, BDSB had on 8 April 2018 and 4 April 2021 received approval from the Johor Estate Land Board and consent from the State Authority respectively, to register a lease of 30 years in favour of Holstein Dairy (Desaru) ("**Lease**"). As at the LPD, BDSB is in the midst of executing the Lease of Land (Form 15A of the National Land Code). In respect of Demised Premises 2, BDSB is in the process of preparing the documents required for the application for Johor Estate Land Board's approval for the registration of a lease of 30 years in favour of Holstein Dairy (Desaru).

14. ADDITIONAL INFORMATION (Cont'd)

- (d) Pursuant to the terms of the JVA, BDSB will subscribe for 33% ordinary shares in Holstein Dairy (Desaru) to be satisfied by part of the rental under the registered Lease for our Desaru Farm.

As at the LPD, pending the registration of Lease in favour of Holstein Dairy (Desaru), BDSB is not a shareholder of Holstein Dairy (Desaru).

Term and Termination

The JVA is evergreen until terminated in accordance with the provisions of the JVA.

Under the JVA, if any of Holstein Dairy (Desaru)'s shareholders ("**Shareholder**"):

- (a) commits any material breach of its obligation under the JVA and if remediable fails to take all necessary action to remedy such breach within 30 days upon the service of notice by the other Shareholder complaining of such breach;
- (b) goes into voluntary liquidation otherwise than for the purpose of reconstruction or amalgamation or an order of the court is made for its compulsory liquidation or shall have a receiver or similar officer appointed in respect of any material part of its assets;
- (c) compounds or makes any composition or arrangement with its creditors; or
- (d) becomes insolvent,

then such defaulting Shareholder may be served a written notice by the other Shareholder. Any Shareholder which suffers any event of the type enumerated above shall immediately notify the other Shareholder of the occurrence of such event.

Contribution / Shareholding

- (a) It has been agreed that our Company will hold 67% equity interest and BDSB will hold 33% equity interest in Holstein Dairy (Desaru) throughout the duration of the JVA, unless otherwise agreed by BDSB.
- (b) Both parties have agreed that the valuation of Demised Premises 1 at RM10,000 per acre shall be contribution for 1,000,000 ordinary shares in Holstein Dairy (Desaru) (representing BDSB's 33% equity interest in Holstein Dairy (Desaru)), whilst the remaining RM2,000,000 is to be paid back by Holstein Dairy (Desaru) to BDSB over eight instalments at a rate of RM250,000 per annum, commencing from Holstein Dairy (Desaru)'s second financial year.

Please refer to Annexure B of this Prospectus for further details on the Demised Premises.

14.6.2 Sale and Purchase Agreement dated 19 July 2018 entered into between FFMSB and Behn Meyer Paper & Board (M) Sdn Bhd in respect of the acquisition of a piece of land held under HS(D) 9280 TLO 2933 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor

On 19 July 2018, FFMSB entered into a sale and purchase agreement with Behn Meyer Paper & Board (M) Sdn Bhd (formerly known as Behn Meyer International Trading Sdn Bhd) to acquire a piece of land held under HS(D) 9280 TLO 2933 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor measuring about 0.5666 hectares together with a 1.5 storey building erected thereon ("**Property**") for a total cash consideration of about RM2 million. The Property was transferred to FFMSB on 19 November 2018.

14. ADDITIONAL INFORMATION *(Cont'd)***14.6.3 Business Purchase Agreement dated 22 October 2019 entered into amongst Shepparton Partners Collective KP Pty Ltd, Shepparton Partners Collective Operations Pty Ltd and Shepparton Partners Collective IP Pty Ltd (collectively, the "Shepparton Partners Collective"), Kyabram Jam Company Pty Ltd and THMC (Australia)**

On 22 October 2019, THMC (Australia) entered into a business purchase agreement with the Shepparton Partners Collective for the acquisition of the business and the business assets of the Shepparton Partners Collective, including the IXL and Taylor's brands and the Kyabram Facility for a total cash consideration of about AUD8 million. The acquisition was completed on 18 December 2019.

14.6.4 Contract for Sale of Real Estate dated 19 December 2018 entered into amongst THMC (Australia), Albertus Willem Van Ruiswyk, Jan Arie Van Ruiswyk and Van Ruiswyk Bros Pty Ltd for the acquisition of the properties at 490 Neal Road, Undera 3629, 515 Norton Road, Undera 3629, and 695 Norton Road, Undera 3629 ("Properties")

On 19 December 2018, THMC (Australia) entered into a contract for sale of real estate with Albertus Willem Van Ruiswyk, Jan Arie Van Ruiswyk and Van Ruiswyk Bros Pty Ltd for the acquisition of the Properties measuring about 295.1 hectares for a total cash consideration of about AUD2.2 million. The property was transferred to THMC (Australia) on 1 February 2021.

14.6.5 Contract for Sale of Real Estate dated 7 March 2019 entered into between THMC (Australia) and Alexander Anthony Arena for the acquisition of the property at 705 Echuca Road, Ardmona VIC 3629

On 7 March 2019, THMC (Australia) entered into a contract for sale of real estate with Alexander Anthony Arena for the acquisition of the property at 705 Echuca Road, Ardmona VIC 3629 measuring about 140.7 hectares for a total cash consideration of about AUD1.7 million. The property was transferred to THMC (Australia) on 16 April 2019.

14.6.6 Contract for Sale of Real Estate dated 8 February 2022 entered into between THMC (Australia) and Peter Ross Hemphill, Gayle Patricia Hemphill and Kate Louisa Hemphill for the acquisition of the properties at 947 McEwan Road, Kyabram VIC 3620 and 999 McEwan Road, Kyabram VIC 3720

On 8 February 2022, THMC (Australia) entered into a contract for sale of real estate with Peter Ross Hemphill, Gayle Patricia Hemphill and Kate Louisa Hemphill for the acquisition of the properties at 947 McEwan Road, Kyabram VIC 3620 and 999 McEwan Road, Kyabram VIC 3720 measuring about 300 acres, including 1000 ton of silage and plant and equipment for a total cash consideration of about AUD3.5 million. The completion of the acquisition of the properties is conditional on THMC (Australia) obtaining the approval of the FIRB, which, as at the LPD, is pending.

14.6.7 Master Cornerstone Placement Agreement dated 23 February 2022

Master Cornerstone Placement Agreement dated 23 February 2022 entered into between our Company, the Selling Shareholders, the Joint Global Coordinators, and the Cornerstone Investors, under which the Cornerstone Investors agree to acquire and/or subscribe for an aggregate of 547,188,694 IPO Shares, representing about 29.5% of the enlarged issued share capital of our Company, pursuant to the Institutional Offering at RM1.35 per IPO Share or the Institutional Price, whichever is lower, on the terms and subject to the conditions as set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements.

14. ADDITIONAL INFORMATION *(Cont'd)***14.6.8 Retail Underwriting Agreement dated 15 February 2022**

Retail Underwriting Agreement dated 15 February 2022 entered into between our Company, the Joint Managing Underwriters and the Joint Underwriters to severally and not jointly (nor jointly and severally) underwrite 55,738,700 Issue Shares under the Retail Offering at an underwriting commission of up to 2.0% (exclusive of applicable tax) of the Retail Price, multiplied by the number of Issue Shares underwritten.

14.6.9 Lock up letters dated 14 February 2022 in relation to our IPO and our Listing

Lock-up letters dated 14 February 2022 issued by our Company to the Joint Global Coordinators in relation to the lock-up arrangement for our IPO and our Listing, details of which are set out in Section 4.8.3 of this Prospectus.

14.7 MATERIAL LITIGATION

Save as disclosed below, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability.

As at the LPD, THMC (Australia) and Henry Jones Foods (collectively, "**Holstein Australian Entities**") are involved in a litigation claim against several Shepparton Collective Partners entities for certain misrepresentations in financial information provided by the Shepparton Collective Partners entities. The Shepparton Collective Partners entities are:

- (i) Shepparton Partners Collective KP Pty Ltd;
- (ii) Shepparton Partners Collective Operations Pty Ltd; and
- (iii) Shepparton Partners Collective IP Pty Ltd,

(collectively, the "**SPC Entities**").

The misrepresentations are alleged to have been made during the financial due diligence process undertaken by our Holstein Australian Entities in connection with the sale of the processed foods manufacturing business ("**Business**") and related business assets by the SPC Entities to Henry Jones Foods under the business purchase agreement (relating to the Kyabram business) ("**Agreement**").

A statement of claim ("**Claim**") was filed by our Holstein Australian Entities with the Supreme Court of Victoria ("**Court**") on 31 March 2021.

The misrepresentations which form the basis of the Claim relate to alleged misrepresentations by the SPC Entities with respect to the historical cost of raw materials, the historical total costs of goods produced and the historical earnings of the Business. Our Holstein Australian Entities have claimed that the alleged misrepresentations amount to a breach of the sellers' warranties under the Agreement and as a result, our Holstein Australian Entities have suffered loss and damage. The quantum of the Claim has yet to be determined by an expert, however, we estimate the Claim to be between AUD4 million to AUD5 million.

Our Holstein Australian Entities are seeking the following remedies from the Court in respect of the Claim:

- (a) that the SPC Entities indemnify our Holstein Australian Entities (in accordance with the Agreement) in respect of loss and damage suffered as a result of the breach of the sellers' warranties under the Agreement; and/or
- (b) damages pursuant to the Australian Consumer Law or under Australian common law.

14. ADDITIONAL INFORMATION *(Cont'd)*

A first directions hearing for this matter was held on 7 May 2021, which dealt with administrative matters relating to the proceedings. During the hearing, the Court ordered the following next steps to be taken to resolve the dispute (which has now been superseded by the orders of 16 June 2021 and 13 August 2021 as set out below):

- (aa) our Holstein Australian Entities and the SPC Entities to file any pleadings and particulars between 28 May 2021 to 16 July 2021;
- (bb) our Holstein Australian Entities and the SPC Entities make discovery (including full inspection) in accordance with the Supreme Court (General Civil Procedure) Rules 2015 and file and serve a list of documents by 30 July 2021;
- (cc) the proceedings to be listed for further directions at 10:00am on 6 August 2021 (which has now been delayed to 13 August 2021);
- (dd) our Holstein Australian Entities and the SPC Entities to file and serve any expert reports upon which they intend to rely;
- (ee) the proceedings be referred to a mediator with such mediation to take place by 23 September 2021; and
- (ff) the mediator must not later than 29 September 2021 report back to the court whether the mediation is finalised.

The SPC Entities filed a summons dated 28 May 2021, seeking an order that our Holstein Australian Entities' statement of claim be struck out in its entirety or in the alternative that certain paragraphs be struck out ("**Summons**"). Our Holstein Australian Entities in turn filed submissions that the Summons be rejected by the Court.

The Court made a further order on 16 June 2021. The Court ordered that:

- (a) by 4:00pm on 15 June 2021, our Holstein Australian Entities file and serve any affidavit material in opposition to the SPC Entities' Summons;
- (b) by 4:00pm on 23 July 2021, the SPC Entities file and serve any submissions in relation to the Summons;
- (c) by 4:00pm on 30 July 2021, our Holstein Australian Entities file and serve any submissions in relation to the Summons; and
- (d) the Summons is fixed for hearing at 10:30am on 13 August 2021.

The timeline for the litigation as set out in the orders of 7 May 2021 was superseded by the above orders of 16 June 2021, meaning that the directions hearing that was originally scheduled for 6 August 2021 was instead held on 13 August 2021 (the same hearing regarding the Summons).

The Court made orders following the hearing on 13 August 2021 that:

- (aa) the Summons be rejected and the SPC Entities pay our Holstein Australian Entities' costs in relation to the Summons on a standard basis;
- (bb) the timeline originally set out in the orders of 7 May 2021 be vacated and replaced with the following:
 - (i) the SPC Entities file its defence to the Claim ("**Defence**") and any counterclaim by 20 August 2021;

14. ADDITIONAL INFORMATION *(Cont'd)*

- (ii) our Australian Holstein Entities file and serve any reply and defence to any counterclaim by 10 September 2021;
- (iii) any defendant to a counterclaim file and serve any reply to such counterclaim by 24 September 2021;
- (iv) the SPC Entities file and serve any third party notices by 3 September 2021;
- (v) the parties make full discovery on 30 September 2021; and
- (vi) the proceedings be listed for a further directions hearing on 29 October 2021.

The SPC Entities filed its Defence on 20 August 2021, pursuant to which they (amongst others):

- (a) deny making the misrepresentations;
- (b) deny breaches of warranty under the Agreement; and
- (c) claim that our Holstein Australian Entities are barred from making certain claims pursuant to the Claim by virtue of purportedly failing to comply with the dispute notice requirements and limitation periods under the Agreement.

The Court made further orders (by consent) on 27 October 2021 that:

- (aa) the time and date by which the parties are to make discovery (including full inspection) and file and serve a list of documents is extended from 4:00pm on 30 September 2021 to 4:00pm on 12 November 2021;
- (bb) the Holstein Australian Entities file and serve any expert reports upon which they intend to rely on by 4:00pm on 11 March 2022; and
- (cc) the directions hearing listed on 29 October 2021 is adjourned to 10:00am on 25 March 2022.

The Court made further orders at the request of the Holstein Australian Entities on 20 December 2021 that the proceeding be listed for a further directions hearing on 28 January 2022.

The Court then vacated the directions hearing listed on 28 January 2022 by orders made on 25 January 2022.

As at the LPD, our Holstein Australian Entities are currently in the process of the discovery phase of the litigation, with expert reports expected to be filed in March 2022.

Our solicitors are of the opinion that our Holstein Australian Entities have a good prospect to succeed in the Claim and do not expect any counterclaims by the SPC Entities.

14.8 CONSENTS

The written consents of the Sole Principal Adviser, Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters, Joint Underwriters, Legal Advisers, Share Registrar and Issuing House as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

14. ADDITIONAL INFORMATION *(Cont'd)*

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan for the inclusion of its name and all references thereto, and the IMR Report in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of six months from the date of this Prospectus:

- (i) our Constitution;
- (ii) our material contracts as referred to in Section 14.6 of this Prospectus;
- (iii) the relevant cause papers in respect of the material litigation as referred to in Section 14.7 of this Prospectus;
- (iv) our audited consolidated financial statements for FYE 31 March 2019, FYE 31 March 2020, FYE 31 March 2021 and FPE 30 September 2021;
- (v) audited financial statements of each of our subsidiaries for FYE 31 March 2019, FYE 31 March 2020, and FYE 31 March 2021;
- (vi) Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position, as included in Section 12.5 of this Prospectus;
- (vii) Accountants' Report as included in Section 13 of this Prospectus;
- (viii) IMR Report as included in Section 8 of this Prospectus;
- (ix) letters of consent referred to in Section 14.8 of this Prospectus; and
- (x) By-Laws as included in Annexure D of this Prospectus.

14.10 RESPONSIBILITY STATEMENTS

Our Directors, our Promoters and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB, being the Sole Principal Adviser, Joint Global Coordinator and Joint Bookrunner for the Institutional Offering and Joint Managing Underwriter and Joint Underwriter for the Retail Offering in relation to our IPO, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

15. PROCEDURES FOR APPLICATION

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10:00 A.M., 28 FEBRUARY 2022.

CLOSING OF THE APPLICATION PERIOD: 5:00 P.M., 8 MARCH 2022.

In the event there is any change to the dates stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Application of our Issue Shares under the Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<u>Type of Application and category of investors</u>	<u>Application method</u>
Applications by our Directors, eligible employees of our Group (including directors of our subsidiaries) and persons who have contributed to the success of our Group	Pink Application Form
Applications by the Malaysian Public	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-individuals	White Application Form only

15.2.2 Application of our IPO Shares under the Institutional Offering

Malaysian institutional and selected investors and foreign institutional and selected investors being allocated our IPO Shares under the Institutional Offering (other than Bumiputera investors approved by the MITI) will be contacted directly by the respective Joint Global Coordinators and Joint Bookrunners and will follow the instructions as communicated by the respective Joint Global Coordinators and Joint Bookrunners.

Bumiputera investors approved by the MITI who have been allocated our IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

15. PROCEDURES FOR APPLICATION *(Cont'd)*

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfil all of the following:

- (i) you must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or
 - (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;
- (ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) you must submit the Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO Shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

15. PROCEDURES FOR APPLICATION *(Cont'd)*

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM 1.35 for each IPO Share.

Payment must be made out in favour of “**TIIH SHARE ISSUE ACCOUNT NO. 716**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the respective official envelopes provided for each category, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
 [Registration No.: 197101000970 (11324-H)]
 Unit 32-01, Level 32, Tower A
 Vertical Business Suite
 Avenue 3, Bangsar South
 No. 8, Jalan Kerinchi
 59200 Kuala Lumpur

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 8 March 2022 or such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the Application Form to the Issuing House.

Please refer to the detailed procedures and terms and conditions of the Application Forms set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15. PROCEDURES FOR APPLICATION *(Cont'd)*

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

Please refer to the detailed procedures and terms and conditions of Internet Share Application set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

- (i) reject the Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest) in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15. PROCEDURES FOR APPLICATION (*Cont'd*)**15.8 OVER/UNDER-SUBSCRIPTION**

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at <https://tiih.online> within one business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Section 4.2.4 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

15. PROCEDURES FOR APPLICATION *(Cont'd)*

- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Application within two Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the fifth Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than ten Market Days from the date of the final ballot. For Applications that are held in reserve and are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at the last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15. PROCEDURES FOR APPLICATION (Cont'd)**15.11 ENQUIRIES**

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the queries
Application Form	Issuing House Enquiry Services Telephone at +603-2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institution or Authorised Financial Institution

The results of the allocation of Issue Shares derived from successful balloting will be made available to the public using the Issuing House website at <https://tiih.online>, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **five Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in the “**Detailed Procedures for Application and Acceptance**” accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS

Details of our major licences, permits and approvals as at the LPD, together with the salient conditions and status of compliance, are as follows:

Malaysia

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
1.	Farm Fresh	MITI	<p>Licence to manufacture the following product at the following premise:</p> <p>Dairy & dairy-based products (including fresh milk, flavored milk, yogurt and yogurt drinks, flavored yogurt and yogurt drinks and processed cheese etc.).</p> <p>Kompleks Tenusu, Plot D, KM6 Jalan Rompin, 26700 Muadzam Shah, Pahang.</p>	2 June 2017 onwards	<p>(a) Sale of any shares of the licensee requires notification to be made to MITI and MIDA.</p> <p>(b) The licensee shall train Malaysians to facilitate technology transfer and channel expertise to all levels of positions.</p> <p>(c) The total number of full-time employees of the licensee shall be made up of at least 80% of Malaysians. The employment of foreigners including workers recruited through outsourcing is subject to the current policy.</p>	Noted
2.	Farm Fresh	MITI	<p>Licence to manufacture the following product at the following premise:</p> <p>Plant-based beverages</p> <p>Kompleks Tenusu, Plot D, KM6 Jalan Rompin, 26700 Muadzam Shah, Pahang.</p>	10 July 2021 onwards	<p>(a) Sale of any shares of the licensee requires notification to be made to MITI and MIDA.</p> <p>(b) The licensee shall train Malaysians to facilitate technology transfer and channel expertise to all levels of positions.</p> <p>(c) The total number of full-time employees of the licensee shall be made up of at least 80% of Malaysians. The employment of foreigners including workers recruited through outsourcing is subject to the current policy.</p>	Noted

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
3.	FFMSB	MITI	<p>Licence to manufacture the following product at the following premise:</p> <p>Dairy & dairy-based products (including fresh milk, flavored milk, yogurt and yogurt drinks, flavored yogurt and yogurt drinks and processed cheese etc.).</p> <p>No. 11-1, Jalan Petaling, Jalan Perindustrian Larkin, 80350 Johor Bahru, Johor Darul Ta'zim.</p>	2 June 2017 onwards	<p>(a) Sale of any shares of the licensee requires notification to be made to MITI and MIDA.</p> <p>(b) The licensee shall train Malaysians to facilitate technology transfer and channel expertise to all levels of positions.</p> <p>(c) The total number of full-time employees of the licensee shall be made up of at least 80% Malaysians. The employment of foreigners including workers recruited through outsourcing is subject to the current policy.</p>	Noted
4.	Farm Fresh	DVS	<p>Letter of no objection issued to Farm Fresh to import the following products from Made Manufacturing Pty Ltd, 1263 Ferntree Gully Rd., Scoreby, Victoria 319 Australia:</p> <p>(a) fruit and vegetable juice;</p> <p>(b) flavoured milk; and</p> <p>(c) yoghurt.</p>	27 March 2018 onwards.	None.	Not applicable
5.	Farm Fresh	DVS	<p>Registration as livestock importer for year 2022. Farm Fresh is permitted to import (i) cows and buffaloes; and (ii) goats and sheep from countries approved by DVS.</p>	Up to 31 December 2022	None.	Not applicable
6.	FFMSB	DVS	<p>Registration as importer of UHT milk and pasteurized milk for the year 2022 from Australia.</p>	Up to 31 December 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
7.	Farm Fresh	Ministry of Health Malaysia ("MOHM")	Food premise registration for the following premise: Kompleks Tenusu, Plot D, KM 6, Jalan Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 3 July 2022	None.	Not applicable
8.	FFMSB	MOHM	Food premise registration for the following premise: 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru.	Up to 17 January 2024	None.	Not applicable
9.	Farm Fresh	Rompin District Council	Business premise and advertisement licence to carry out trade, business, industrial activities at the following premise: Kompleks Tenusu, Plot D KM6, Jalan Rompin, Muadzam Shah, 26700, Muadzam Shah Pahang Darul Makmur.	Up to 31 December 2022	None.	Not applicable
10.	Farm Fresh	Sepang Municipal Council	Business premise licence for management office, cattle farm, cow milk processing centre, sales exhibition and warehouse to store cattle feed at the following premise: Lot PT 533 UPM Serdang, Bahagian Ternakan Taman Pertanian Universiti, 43400 Serdang, Selangor.	Up to 29 March 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
11.	Farm Fresh	Kuala Lumpur City Council	Business premise licence to carry out administration office and storage warehouse at the following premise: No. 30, Jalan Kilang Midah, Taman Midah, 56000 Kuala Lumpur.	Up to 27 August 2022	The total number of foreign employees of the licensee shall not be more than local employees or more than 50% of Malaysians and with valid work permit.	Complied
12.	Holstein Dairy (Desaru)	Pengerang Municipal Council	Business premise licence to carry out activities related to cattle breeding centre at the following address: Plot AG-1101, Lembah Makanan Bio Desaru, Jalan Tanjung Balaui-Tanjung Sedili, 81930 Bandar Penawar, Kota Tinggi, Johor Darul Takzim.	Up to 31 December 2022	None.	Not applicable
13.	FFMSB	Johor Bahru City Council	Business and advertisement licence to carry out activities related to cow's milk and goat's milk processing and general office at the following premise: 11-1, Jalan Petaling Kawasan Perindustrian Larkin 80350 Johor Bahru.	Up to 31 December 2022	None.	Not applicable
14.	FFMSB	Johor Bahru City Council	Business and advertisement licence to carry out activities related to operate the warehouse at the following premise: No. 14A, Jalan Petaling Kawasan Perindustrian Larkin 80350 Johor Bahru.	Up to 31 December 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
15.	FFMSB	Johor Bahru City Council	Business and advertisement licence to carry out activities related to warehouse at the following address: No.1, Jalan Bakti, Kawsan Perinudstrian Larkin, 80350 Johor Bahru, Johor Darul Takzim.	Up to 31 December 2022	None.	Not applicable
16.	Farm Fresh	Department of Islamic Development Malaysia ("DIDM")	Halal Standard certification in relation to the following products: (a) cafe latte flavoured milk; (b) UHT evaporated creamer; (c) UHT reconstituted full cream milk with dates extract; (d) UHT whipping cream; (e) UHT yogurt drink mixed berries flavour; (f) UHT yogurt drink original natural; (g) chocolate milk; (h) fresh milk; (i) fresh milk with dates extract; (j) Skinny milk; (k) UHT Australia fresh milk; (l) UHT Australia low fat fresh milk; (m) UHT cafe latte flavoured milk; (n) UHT chocolate milk; (o) UHT fresh milk;	Up to 30 June 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(p) UHT fresh milk with dates extract;			
			(q) UHT recombined full cream milk;			
			(r) UHT reconstituted chocolate milk;			
			(s) UHT reconstituted fresh milk;			
			(t) UHT reconstituted full cream milk;			
			(u) UHT reconstituted low fat milk;			
			(v) UHT yogurt drink mango tango flavor; and			
			(w) UHT yogurt drink strawberry flavor.			
17.	Farm Fresh	DIDM	Halal Standard certification in relation to the following products:	Up to 28 February 2023	None.	Not applicable
			(a) UHT almond beverage original;			
			(b) UHT almond beverage unsweetened;			
			(c) UHT Australian organic A2 protein milk;			
			(d) UHT chocolate soy flavoured milk;			
			(e) UHT coffee flavoured milk cafe latte tongkat ali;			
			(f) UHT Master Barista milk;			

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
18.	Farm Fresh	DIDM	<ul style="list-style-type: none"> (g) UHT oat beverage original; and (h) UHT soy milk original. <p>Halal Standard certification in relation to the following products:</p> <ul style="list-style-type: none"> (a) Australian fresh milk organic A2 protein milk; (b) Australian pasteurised & homogenised cow's milk; (c) Australian pasteurized & homogenized cow's milk (low fat); (d) Fresh soy milk original pasteurized & homogenized; (e) Fresh soy milk unsweetened pasteurized & homogenised; (f) Master Barista Australian pasteurized & homogenised cow's milk; (g) Naturally tasty oat beverage original pasteurized & homogenised; (h) New Zealand pasteurized & homogenised cow's milk 0% fat full skimmed; (i) pure fresh milk; (j) pure fresh milk skinny low fat pasteurized & homogenised; 	Up to 30 April 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
19.	Farm Fresh	DIDM	(k) UHT lactose free fresh milk; and (l) UHT skinny low fat fresh milk. Halal Standard certification in relation to the following products: (a) Contract manufacturing / OEM (food / beverage / supplements)	Up to 15 February 2024	None.	Not applicable
20.	Farm Fresh	DIDM	Halal Standard certification in relation to the following products: (a) banana flavoured milk; (b) full cream milk pasteurized & homogenised; (c) UHT banana flavoured milk; (d) UHT chocolate flavoured milk lactose free; (e) UHT chocolate flavoured oat beverage; (f) UHT fruit punch flavoured yogurt drink; and (g) UHT lychee flavoured yoghurt drink.	Up to 31 July 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
21.	FFMSB	DIDM	Halal Standard certification in relation to the following products: (a) fruit punch flavoured yogurt drink; (b) lychee flavoured yogurt drink; and (c) Organic Australian fresh milk A2 protein milk.	Up to 30 June 2023	None.	Not applicable
22.	FFMSB	DIDM	Halal Standard certification in relation to the following products: (a) Australian pasteurized cow's milk; (b) Australian pasteurized cow's milk (low fat); (c) Australian pasteurized cow's milk full skimmed; (d) cafe latte flavour milk; (e) chocolate flavour milk; (f) durian fruit puree preparation; (g) Farm Fresh natural yogurt; (h) farm yogurt apricot; (i) farm yogurt durian; (j) farm yogurt fig;	Up to 30 June 2022	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(k) farm yogurt mango;			
			(l) farm yogurt mixed berries;			
			(m) farm yogurt original;			
			(n) farm yogurt peach;			
			(o) farm yogurt pumpkin;			
			(p) farm yogurt strawberries;			
			(q) fig fruit puree preparation;			
			(r) fresh milk with date extract;			
			(s) goat's milk;			
			(t) Greek yogurt aloe vera and peach;			
			(u) Greek yogurt apricot and 5 super seeds;			
			(v) Greek yogurt blueberries with almonds and grains;			
			(w) Greek yogurt mulberries & strawberries;			
			(x) Greek yogurt original;			
			(y) lactose free fresh milk;			
			(z) lactose free fresh milk (light);			
			(aa) Master Barista Australian pasteurized cow's milk;			

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
			(bb) pure fresh milk;			
			(cc) pure fresh milk Skinny/low fat;			
			(dd) Skinny low fat natural yogurt;			
			(ee) soy milk original;			
			(ff) soy milk unsweetened;			
			(gg) Yarra Farm natural yogurt;			
			(hh) yogurt drink mango tango flavour;			
			(ii) yogurt drink mixed berries flavour;			
			(jj) yogurt drink original natural; and			
			(kk) yogurt drink strawberries flavour.			
23.	FFMSB	DIDM	Halal Standard certification in relation to the following products: (a) banana flavoured milk; and (b) full cream milk pasteurised & homogenised	30 September 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
24.	FFMSB	Feed Board	Licence to import feed or feed additive issued to Loi Tuan Ee from FFMSB to import the following using Pelabuhan Pasir Gudang, Pelabuhan Tanjung Pelepas, Pelabuhan Klang Barat, Pelabuhan Klang Selatan or Pelabuhan Klang/Pelabuhan Klang Utara as an entry point: (a) alfafa hay (under category of forage) from the United States of America; and (b) dried distiller grains with solubles (under the category of formulated feed) from Australia.	Up to 31 December 2022	The alfalfa hay and dried distiller grains with solubles have to be stored in 11-1, Jalan Petaling Kawasan Perindustrian Larkin 80350 Johor Bahru.	Complied
25.	Farm Fresh	Pahang Water and Energy Resources Sdn Bhd	Water abstraction licence granted to Farm Fresh to abstract water at Kompleks Tenuku Muadzam Shah, Plot D, KM 6, Jalan Muadzam - Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 31 December 2022	(a) Farm Fresh is not allowed to make any diversions or restrictions on any natural flow of the water resources; and (b) Farm Fresh is not permitted to alter, disturb, cause or permit to alter or disturb any area of the waterbody such as river banks, creeks or water source stream.	Complied
26.	FFMSB	Johor Water Regulatory Body ("BAKAJ")	Water abstraction licence for industrial purpose granted to FFMSB to abstract water for industrial purpose at PN 84720, Lot 6382, Mukim Bandar Johor Bahru, Daerah Johor Bahru (now known as HSD 606095, PTB 24793, Bandar Johor Bahru, Daerah Johor Bahru (Larkin Facility)).	Up to 31 December 2021 ⁽¹⁾	(a) The water intakes of the water abstraction are limited to the approved location only. (b) The amount of water abstracted shall not exceed the maximum amount permitted (which is 80m ³ per day).	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance				
27.	Holstein Dairy (Desaru)	BAKAJ	Water abstraction licence granted to Holstein Dairy (Desaru) to abstract water at part of PTD 1721, Lot AG 1101, Mukim Sedihi Kechil, Kota Tinggi, Johor.	Up to 31 December 2021 ⁽²⁾	(a) The water intakes of the water abstraction are limited to the approved location only. (b) The amount of water abstracted shall not exceed the maximum amount permitted (which is 108m ³ per day).	Complied				
28.	Serdang Dairy	Selangor Waters Management Authority	Ground water abstraction licence granted to Serdang Dairy to abstract water at Telaga 1 (TW1), Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang.	Up to 31 October 2022	The licensee shall comply with the following conditions: (a) to abstract water for commercial purposes from the following approved source: Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang; and (b) ensure the pump rate does not exceed; TW1 = 6.5 m ³ /hour and the pumping carried out shall not exceed 12 hours a day and groundwater level monitoring shall be done if pumping is done simultaneously.	Complied				
29.	Serdang Dairy	Selangor Waters Management Authority	Ground water abstraction licence granted to Serdang Dairy to abstract water at Telaga (TW2), Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang	Up to 31 October 2022	The licensee shall ensure the pump rate does not exceed; TW2 = 7.5 m ³ /hour and the pumping carried out shall not exceed 12 hours a day and groundwater level monitoring shall be done if pumping is done simultaneously.	Complied				
30.	Farm Fresh	Ministry of Domestic Trade and Consumer Affairs ("MDTCA")	Permit granted to Farm Fresh to buy and store 20,000 litres of diesel (without subsidy) at the following premise: Kompleks Tenusu Muadzam Shah (Farm), Plot D, KM 6, Jalan Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 6 September 2024	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: <table border="1"> <thead> <tr> <th>Types and Description of Scheduled Controlled Articles</th> <th>Storage Quantity</th> </tr> </thead> <tbody> <tr> <td>Diesel (without subsidy)</td> <td>20,000 litres</td> </tr> </tbody> </table>	Types and Description of Scheduled Controlled Articles	Storage Quantity	Diesel (without subsidy)	20,000 litres	Complied
Types and Description of Scheduled Controlled Articles	Storage Quantity									
Diesel (without subsidy)	20,000 litres									

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	License	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
31.	Farm Fresh	MDTCA	Permit granted to Farm Fresh to buy and store 30,000 litres of diesel (without subsidy) at the following premise: Kompleks Tenusu Muadzam Shah, Plot D, KM 6, Jalan Rompin, 26700 Muadzam Shah, Rompin, Pahang.	Up to 19 January 2025	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: Types and Description of Scheduled Controlled Articles Diesel (without subsidy) Storage Quantity 30,000 litres	Complied
32.	Farm Fresh	MDTCA	Permit granted to Farm Fresh to buy and store 15,000 litres of diesel (supply from licensed wholesaler) at the following premise: Ladang 16, Bahagian Ternakan Taman Pertanian Universiti, UPM 43400 Serdang, Seri Kembangan, Selangor.	Up to 13 June 2022	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: Types and Description of Scheduled Controlled Articles Diesel (supply from licensed wholesaler) Storage Quantity 15,000 litres	Complied
33.	FFMSB	MDTCA	Permit granted to FFMSB to buy and store 14,000 litres of diesel fuel (supply from licensed wholesaler) at the following premise: 11-1 Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor.	Up to 6 April 2024	The permit holder is allowed to buy and stored scheduled controlled articles as per the details below: Types and Description of Scheduled Controlled Articles Diesel (supply from licensed wholesaler) Storage Quantity 14,000 litres	Complied
34.	Farm Fresh	Energy Commission	Certificate of Registration (Installation No. ST(PKN)P/S/PHG/01264) granted to Farm Fresh in relation to the generator sets with 4.250kW in relation to Kompleks Tenusu Muadzam, Plot D, KM 6, Muadzam – Rompin, 26700 Muadzam Shah, Pahang Darul Makmur	Up to 3 October 2023	None.	Not applicable

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of licence/ permit/ approval	Validity Period	Salient conditions	Status of compliance
35.	FFMSB	Energy Commission	Licence for private installation (Licence No. 2021/02833) granted to FFMSB in relation to the generator sets with 148.75kW in relation to PTD 2975, Mukim Ulu Sungei Sedili Besar, 81900 Kota Tinggi, Johor	Up to 9 November 2022	None.	Not applicable
36.	Holstein Dairy (Desaru)	Energy Commission	Certificate of Registration (Installation No. ST(SJB)P/S/JHR/04502) granted to Holstein Dairy (Desaru) in relation to the generator set with 85 kW in relation to Projek Temakan Lembu Tenusu – Bidesaru at Plot AG-1101, Lot PTD 1721, Jalan Tg. Balau – Tg. Sedili, Bandar Penawar 81350, Kota Tinggi, Johor.	Up to 24 July 2022	None.	Not applicable
37.	FFMSB	Energy Commission	Certificate of Registration (Installation No. ST(SJB)P/S/JHR/04537) granted to FFMSB in relation to the generator sets with 297.5 kW in relation to 11-1 Jalan Petaling, Kawasan Perindustrian Larkin, 80350 Johor Bahru, Johor.	Up to 18 September 2023	None.	Not applicable

Notes:

- (1) FFMSB had on 4 January 2022 made the requisite payment to BAKAJ for the renewal of water abstraction licence and is currently pending the issuance of renewed water abstraction licence by BAKAJ.
- (2) Holstein Dairy (Desaru) had on 6 January 2022 made the requisite payment to BAKAJ for the renewal of water abstraction licence and is currently pending the issuance of renewed water abstraction licence by BAKAJ.

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

Australia

No.	Licensee	Approving authority	Description of permit/approval	of licence/	Validity Period	Salient conditions	Status of compliance
1.	Henry Jones Foods	Campaspe Shire Council	Certificate of registration of food premise for the business premises at 85 McCormick Road, Kyabram, VIC 3620.		Up to 31 December 2021 ⁽¹⁾	None.	Complied
2.	Goulburn Valley Creamery	Dairy Food Safety Australia	Dairy industry licence which allows Goulburn Valley Creamery to manufacture dairy food at 32 Barton Road Kyabram VIC 3620.		Up to 31 December 2022	<p>The license holder must:</p> <p>(a) comply with all relevant provisions of the Food Act 1984 (Vic) and the Australia New Zealand Food Standards Code in the conduct of the dairy business and in respect of dairy food;</p> <p>(b) ensure that an approved auditor or authorized officer verifies its implementation and continued compliance with an approved dairy food safety program by bi-annual audit;</p> <p>(c) comply with any corrective action requests from an approved auditor or officer;</p> <p>(d) comply with any product sampling requests from an authorized officer;</p> <p>(e) immediately notify Dairy Food Safety Victoria in writing of any changes to the ownership of the business or the products manufactured by the business or processes used to manufacture products; and</p> <p>(f) ensure that any milk or milk product other than those sold for human consumption or to another license holder is treated in a manner approved by Dairy Food Safety Victoria.</p>	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description permit/approval	of licence/	Validity Period	Salient conditions	Status of compliance
3.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 29 megalitres per year.		Valid until revoked	None.	Complied
4.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 702.8 megalitres per year.		Valid until revoked	None.	Complied
5.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 30 megalitres per year.		Valid until revoked	None.	Complied
6.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 40 megalitres per year.		Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of permit/approval	Validity Period	Salient conditions	Status of compliance
7.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 5 megalitres per year.	Valid until revoked	None.	Complied
8.	THMC (Australia)	Goulburn-Murray Water	Water licence (Low Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 383 megalitres per year.	Valid until revoked	None.	Complied
9.	THMC (Australia)	Goulburn-Murray Water	Water licence (Low Reliability Water Share) which allows THMC (Australia) to use water at 385 Park Road, Undera VIC 3629, 315 Fidge Road, Undera VIC 3629, 1210 Mulcahy Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 19.5 megalitres per year.	Valid until revoked	None.	Complied
10.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 755 Lancaster-Mooroopna Road, Undera VIC 3629 up to 13.4 megalitres per year.	Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of permit/approval	of licence/	Validity Period	Salient conditions	Status of compliance
11.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 385 Park Road, Undera VIC 3629 and 1210 Mulcahy Road, Undera VIC 3629 up to 1.788 megalitres per year.		Valid until revoked	None.	Complied
12.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 315 Fidge Road, Undera VIC 3629 and 330 Fidge Road, Undera VIC 3629 up to 3.391.70 megalitres per year.		Valid until revoked	None.	Complied
13.	THMC (Australia)	Goulburn-Murray Water	Water Use Registration which allows THMC (Australia) to use water for the purposes other than irrigation at 1856 Davies Road, St Germaines VIC 3620 up to 10 megalitres per year.		Valid until revoked	None.	Complied
14.	THMC (Australia)	Goulburn-Murray Water	Groundwater (Take and Use) Licence which allows THMC (Australia) to take and use water from a waterway, catchment dam, spring, soak or aquifer at 385 Park Road, Undera VIC 3629 up to 550 megalitres per year.		Up to 30 June 2031	Water must be taken in accordance with the rosters and restrictions as set out in the management plan, local water management rules or other document that is made available by the authority.	Complied
15.	THMC (Australia)	Goulburn-Murray Water	Works Licence which allows THMC (Australia) to construct, alter, operate, remove or decommission any works on a waterway, or a bore, or a dam belonging to a prescribed class of dams at 385 Park Road, Undera VIC 3629 up to 550 megalitres per year and 3.3 megalitres per day.		Up to 30 June 2031	The licence holder must construct and maintain bund walls around any hydrocarbon-fuel-driven engine, motor, fuel storage or chemical storage used in connection with this licence.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description permit/approval	of licence/	Validity Period	Salient conditions	Status of compliance
16.	THMC (Australia)	Goulburn-Murray Water	Surface (Registration Licence) which allows THMC (Australia) to use water at 315 Fidge Road, Undera VIC 3629 up to 371 megalitres per year.	Service	Valid until revoked	None.	Complied
17.	THMC (Australia)	Goulburn-Murray Water	Works Licence – 371 megalitres per year (i.e. a licence that authorises the construction, alteration, operation, removal or decommissioning of any works on a waterway, or a bore, or a dam belonging to a prescribed class of dams).		Valid until revoked	None.	The works under this licence have been completed and the registered water use licence corresponding to these works is the Surface Diversion Service (Registration Licence) as listed in item 16 above and that the licence was complied with while it was in operation.
18.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 755 Lancaster-Mooroopna Road, Undera VIC 3629 up to 2 megalitres per year.		Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of permit/approval	of licence/	Validity Period	Salient conditions	Status of compliance
19.	THMC (Australia)	Goulburn-Murray Water	Water licence (Low Reliability Water Share) which allows THMC (Australia) to use water at 755 Lancaster-Mooroopna Road, Undera VIC 3629 up to 0.5 megalitres per year.		Valid until revoked	None.	Complied
20.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 490 Neal Road, Undera VIC 3629 and 695 Norton Road, Undera VIC 3629 up to 854.7 megalitres per year.		Valid until revoked	None.	Complied
21.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 515 Norton Road, Undera VIC 3629 up to 417.6 megalitres per year.		Valid until revoked	None.	Complied
22.	THMC (Australia)	Goulburn-Murray Water	Water Use Licence which allows THMC (Australia) to use water for the purposes of irrigation at 705 Echuca Road, Ardmona VIC 3629 up to 973.6 megalitres per year.		Valid until revoked	None.	Complied
23.	THMC (Australia)	Goulburn-Murray Water	Groundwater (Take and Use) Licence which allows THMC (Australia) to use water take and use water from a waterway, catchment dam, spring, soak or aquifer at 705 Echuca Road, Ardmona VIC 3629 up to 202 megalitres per year.		Up to 30 June 2033	The authority may determine a lower water allocation for an annual period.	Complied
24.	THMC (Australia)	Goulburn-Murray Water	Water licence (Delivery Share) which allows THMC (Australia) to use water at 705 Echuca Road, Ardmona VIC 3629 up to 699.3 megalitres per year and 2.59 per day.		Valid until revoked	None.	Complied

ANNEXURE A: OUR MAJOR LICENCES, PERMITS AND APPROVALS (Cont'd)

No.	Licensee	Approving authority	Description of permit/approval	of licence/	Validity Period	Salient conditions	Status of compliance
25.	THMC (Australia)	Goulburn-Murray Water	Water licence (High Reliability Water Share) which allows THMC (Australia) to use water at 85 McCormick Road, Kyabram VIC 3620 up to 201 megalitres per year.		Valid until revoked	None.	Complied

Note:

- (1) *Henry Jones Foods has submitted and paid its registration renewal for 2022 and has received correspondence from Campaspe Shire Council noting delays to processing the registration renewal due to staff shortages but confirming that this delay does not impact Henry Jones Foods' ability to operate its business with respect to the certificate of registration.*

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ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT

B.1 MATERIAL PROPERTIES OWNED BY OUR GROUP

Details of the material land and buildings/land use rights owned by us are set out below:

Malaysia

No.	Name of registered owner/ Lot No./ Postal address/Tenure	Description of property/ Existing use	Date of issuance of certificate of fitness for occupation/ CCC	Built-up Land area (approximate) (sq m unless otherwise stated)	Category of land use/ Restriction in interest	Express condition/ Restriction in interest	Encumbrances on property
1.	FFMSB HSD 606095, PTB 24793, Bandar Johor Bahru, Daerah Johor Bahru, Johor ("PTB 24793"). 11 and 11-1, Jalan Petaling, Kawasan Perindustrian Larkin, 80300 Johor Bahru, Johor.	Two single-storey factory buildings ⁽¹⁾ and two storey office building / Processing facility, dairy storage, chiller, packaging line and office also known as Larkin Facility.	26 January 1987	5,213.38 / 7,543	<u>Category of land use</u> Industry	<u>Express condition</u> • The land shall be used as medium industry area for the purposes of milk processing plant and other related uses and constructed in accordance with plan approved by the relevant local authorities. • All impurities and pollutants resulting from the activity shall be channelled/ disposed to locations determined by the relevant authorities. • To comply with all policies and conditions determined and enforced from time to time by the relevant authorities.	The land is currently charged to CIMB Islamic Bank Berhad

Leasehold for a period of 60 years expiring on 23 October 2041.

Restriction-in-interest

- The land shall not be sold, charged, mortgaged, leased or transferred in any manner whatsoever, including by way of any letter of agreement for the purposes of disposing or selling the land, without the consent of the State Authority.
- The land shall not be transferred in any manner whatsoever, except for the construction of infrastructure relating to public facilities in accordance with the plan approved by the relevant local authority.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/ Lot No./ Postal address/Tenure	Description of property/ Existing use	Date of issuance of certificate of fitness for occupation/ CCC	Built-up Land area (approximate) in m ² unless otherwise stated	Category of land use/ Restriction in interest	Express condition/ Restriction in interest	Encumbrances on property
2.	FFMSB HSD 9280, TLO 2933, Bandar Johor Bahru, Daerah Johor Bahru, Johor. 14 and 14A, Jalan Petaling, Kawasan Perindustrian Larkin, 80300 Johor Bahru, Johor. Leasehold for a period of 60 years, expiring on 12 June 2032.	Single storey factory building / Warehouse and processing facility comprises pasteurize system, batching and filling machine.	22 February 1978	1,282.06 / 0.5666 ha	<u>Category of land use</u> Industry <u>Express condition</u> <ul style="list-style-type: none"> The land shall be used for factory for the purposes of light industry and other related uses, constructed in accordance with plan approved by the relevant local authorities. All impurities and pollutants resulting from the activity shall be channelled/ disposed to locations determined by the relevant authorities. To comply with all policies and conditions determined and enforced from time to time by the relevant authorities. 	The land is currently charged to Bank Pertanian Malaysia Berhad.	
3.	Gem Organics HSD 24448, PTD 2975, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor ("PTD 2975"). PTD 2975, Batu 13, Jalan Mersing, 81900 Kota Tinggi, Johor. Leasehold for a period of 30 years, expiring on 4 January 2035.	Dairy cattle farm known as Mawai Farm leased to FFMSB.	Please refer to note (2)	18,468.81/ 190.5890 ha	<u>Category of land use</u> Agriculture <u>Express condition</u> <ul style="list-style-type: none"> The land shall be used to cultivate herbs and spirulina only⁽³⁾. The landowner shall at all times take steps as instructed by the land administrator to protect the land from erosion. 	The land is currently leased to FFMSB.	
					<u>Restriction-in-interest</u> Nil		
					<u>Restriction-in-interest</u> The land shall not be sold, charged or transferred in any manner whatsoever, including by way of letter of agreement for the purposes of disposing or selling the land without the consent of the State Authority.		

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

Notes:

- (1) *The certificate of fitness for occupation (No. 1055/89) ("CFO") issued by the Majlis Perbandaran Johor Bahru for one of the single storey factory buildings constructed on PTB 24793 is undated. Majlis Perbandaran Johor Bahru is unable to clarify the date as the copy in Majlis Perbandaran Johor Bahru's record is undated as well.*
- (2) *FFMSB had constructed a detached house, workers' quarters, cow sheds, cow barns, calf pens, rapid exit milking station, feed store and raw material sheds at our Mawai Farm without a planning permission from the relevant authority and these structures have not been issued with a CCC. FFMSB had on 19 April 2021 and 11 June 2021 appointed consultants to handle the application for planning permission to the relevant authority. Our consultants are currently finalising the submission of the application for planning permission. The submission of the application for planning permission is expected to be made by the end of March 2022. FFMSB will apply for the CCC after the planning permission and building plan approval have been obtained.*
- (3) *In addition, the workers' quarters constructed at our Mawai Farm have not been certified with a certificate for accommodation issued by the Department of Labour as required under Section 24D of the Employees' Minimum Standards of Housing and Amenities Act 1990. FFMSB will apply for the certificate for accommodation for its workers' quarters at our Mawai Farm after the CCC for the building is obtained as a copy of the CCC is required to be submitted together with the application.*
Gem Organics had on 30 September 2020 submitted the application to the Kota Tinggi Land Office to amend the express condition to include the current usage by FFMSB on PTD 2975. As at the LPD, the application is pending approval. Please refer to Section 7.17 of this Prospectus for further details.

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ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

Australia

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
1.	THMC (Australia) 315 Fidge Road, Undera VIC 3629, comprising of: <ul style="list-style-type: none"> Description of Title: Lot 2 PS 530507H – Certificate of Title: 10853 / 404 Description of Title: Lot 1 TP 131288E – Certificate of Title: 9085 / 787 Description of Title: Lot 1 TP 841622K – Certificate of Title: 9252 / 355 	A farm house, a milking station and a cow shed / Dairy farm known as Greater Shepparton Farm.	Building and Scaffolding Permit dated 6 June 1979 in relation to the dwelling class 1 and garage. Certificate of Compliance – Design dated 20 September 1995 in relation to the building described as "House Dairy Plant". Building Permit dated 22 September 1995 in relation to a non-habitable building or structure (described as "Rotary Dairy")	10,300 / 2,393,467	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	<p>Lot 2 PS 530507H:</p> <ul style="list-style-type: none"> Mortgage AQ751395W and New Zealand Banking Group Ltd. Agreement Section 173 Planning and Environment Act 1987: AD321178T 20/12/2004. <p>Lot 1 TP 131288E:</p> <ul style="list-style-type: none"> Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd. <p>Lot 1 TP 841622K:</p> <ul style="list-style-type: none"> Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd. Notice Section 57 Transfer of Land Act 1958: State Rivers & Water Supply Commission, D674303 01/04/1970.
	Freehold		Certificate of Final Inspection for Farm Use Building for floor area of 4,732 sq m dated 8 December 2010. In relation to other improvements, please refer to note (1).			

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
2.	THMC (Australia) 330 Fidge Road, Undera VIC 3629, comprising of: • Description of Title: Lot 1 TP 104429R – Certificate of Title: 9659 / 225 Freehold	A farm house / Dairy farm known as Greater Shepparton Farm.	Please refer to note (1)	160 / 1,238,968	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.
3.	THMC (Australia) 1856 Davies Road, St Germain's VIC 3620, comprising of: • Description of Title: Lot 2 PS 418748L - Certificate of Title: 10820 / 506 Freehold	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable	Not applicable / 462,841	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.
4.	THMC (Australia) 1210 Mulcahy Road, Undera VIC 3629 , comprising of: • Description of Title: Lot 3 PS 530737P – Certificate of Title: 10872 / 469 Freehold	A farm house / Dairy farm known as Greater Shepparton Farm.	Please refer to note (1)	180 / 624,000	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
5.	THMC (Australia) 385 Park Road, Undera VIC 3629, comprising of: • Description of Title: Lot 4 PS 323892G – Certificate of Title: 10259 / 177 • Description of Title: Lot 1 PS 530737P – Certificate of Title: 10872 / 467	A farm house / Dairy farm known as Greater Shepparton Farm.	Please refer to note (1)	190 / 1,232,300	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751395W 21/02/2018: Australia and New Zealand Banking Group Ltd.
	Freehold					
6.	THMC (Australia) 755 Lancaster-Mooroopna Road, Undera VIC 3629, comprising of: • Description of Title: Lot 2 PS 323892G – Certificate of Title: 10259 / 175	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable	Not applicable / 162,602	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AQ751397S 21/02/2018: Australia and New Zealand Banking Group Ltd.
	Freehold					
7.	THMC (Australia) 490 Neal Road, Undera VIC 3629, comprising of: • Description of Title: CA 36, Sec.C. Parish Undera TP540628A – Certificate of Title: 7157 / 291 • Description of Title: CA 38, Parish Coomboona TP354665F – Certificate of Title: 3305 / 879	A farm house, a milking station, a cow shed and two hay sheds / Dairy farm known as Greater Shepparton Farm.	Certificate of Final Inspection issued on 13/11/2013 in relation to two hay sheds confirming completion of works (occupancy permit not required). In relation to other improvements, please refer to note (1).	5,830 / 1,675,499	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Lease as to part X747831S 17/09/2001, Expiry Date 01/07/2201: Goulburn Murray Rural Water Authority.
	Freehold					

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
8.	THMC (Australia) 515 Norton Road, Undera VIC 3629, consisting of: • Description of Title: Lot 1 PS114517 – Certificate of Title: 9098 / 584 Freehold	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable.	Not applicable / 628,817	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Lease as to part X690774M 23/08/2001, Expiry Date 01/07/2201: Goulburn Murray Rural Water Authority.
9.	THMC (Australia) 695 Norton Road, Undera VIC 3629, consisting of: • Description of Title: CA 63, Parish Coomboona TP541926L – Certificate of Title: 7313 / 531 Freehold	Vacant land / Dairy farm known as Greater Shepparton Farm.	Not applicable.	Not applicable / 646,533	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Lease as to part X747830V 17/09/2001, Expiry Date 01/07/2201: Goulburn Murray Rural Water Authority.
10.	THMC (Australia) 705 Echuca Road, Ardmona VIC 3629, consisting of: • Description of Title: Lot 1 PS530836M – Certificate of Title: 11287 / 530 • Description of Title: Lot 5 PS530836M - Certificate of Title: 11287 / 531 • Description of Title: Lot 4 PS 530836M - Certificate of Title: 11287 / 534 Freehold	Three farm houses, a milking station and a cow shed / Dairy farm known as Greater Shepparton Farm.	Certificate of Final Inspection issued on 19/07/2016 in relation to farm shed work confirming completion of works (occupancy permit not required). Certificate of Final Inspection issued on 18/3/2019 in relation to calf pen shed work confirming completion of works (occupancy permit not required).	3,150 / 1,407,395	Farming Zone - Schedule 1 under the Greater Shepparton Planning Scheme.	Mortgage AS096415B 16/04/2019: Australia and New Zealand Banking Group Ltd.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of registered owner/Lot No. /Postal address/Tenure	Description of property/Existing use	Date of issuance of certificate of fitness occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Category of land use / Express condition / Restriction in interest	Encumbrances on property
11.	THMC (Australia) 85 McCormick Road, Kyabram VIC 3620, consisting of: <ul style="list-style-type: none"> Description of Title: Lot 4 PS615096F - Certificate of Title: 12094 / 723 Freehold	Processing facility / Processing facility also known as Kyabram Facility	In relation to other improvements, please refer to note (1). Certificate of Final Inspection issued on 22/01/2021 in relation to alterations to existing building confirming completion of those works (occupancy permit not required). In relation to other improvements, refer to note (1).	33,028 / 69,978	Industrial Zone 1 under the Campaspe Planning Scheme.	<ul style="list-style-type: none"> Mortgage AS827019P 17/12/2019: Australia and New Zealand Banking Group Ltd. Caveat as to part AK764967F 06/12/2013, Caveator: Powercor Australia Ltd on the basis of a lease with (THMC Australia).

Note:

(1) Under Victorian law, any person may request details from the relevant authority of any occupancy permit ("OP") or certificate of final inspection issued in relation to a property in the last 10 years. We have conducted this search for each property; this is standard practice in Victoria. Many of the search results did not return any results or did not return results in relation to all buildings / structures on the land. Of itself, this is not usual. There are common circumstances that could explain the lack of results on these building certificates. It could be that any buildings or structures on the land were constructed prior to the period covered by the relevant building certificate (i.e. more than 10 years old). Alternatively, it could be that, due to the nature of the land as farmland, there are no buildings or structures on the land that require an occupancy permit or certificate of final inspection. Under the Victorian building regulatory framework, all building work requires a building permit, unless an exemption exists under the Building Regulations 2018. A building permit specifies whether an OP or a certificate of final inspection is required. Possible exemptions of a building permit include: some minor alterations or demolitions, pergolas associated with houses, some garden sheds with a floor area less than 10 square metres, etc. In respect of an OP, a building, in general, cannot be occupied or used without an OP. There are limited circumstances in which an OP does not need to be obtained; these include buildings being constructed on land prior to the period covered by the relevant building certificate (i.e. more than 10 years old) or due to the nature of the land being farmland, there is simply no building erected on land that requires a building permit / an OP.

None of the properties disclosed above are in breach of any land use conditions and/or in non-compliance with statutory requirement, land rules or building regulations which will have a material adverse impact on our operations or utilisation of our assets on the said properties.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

B.2 MATERIAL PROPERTIES LEASED / TENANTED BY OUR GROUP

Malaysia

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
1.	Malaysian Agricultural Research and Development Institute ("MARDI") (as landlord) / Farm Fresh (as tenant).	Muadzam Shah Cattle Research and Innovation Centre comprising cattle farm, cow barns ⁽¹⁾ , dairy processing facility, technology training complex, feed store, pasture area, solid separator, worm farming house, hay store, advanced reproductive technology office, warehouses ⁽¹⁾ guardhouse, worker quarter, silage store, garage and machinery store, general store, pump house and office / Cattle farming known as Muadzam Shah Farm, processing facility known as Muadzam Shah Facility, cattle research office and office.	30 September 2012; 30 May 2014; 10 September 2014; and 23 August 2019.	55,712 / 245.78 ha	3 years from 5 April 2014 to 4 April 2017 with renewal for 10 further terms of 3 years each.	RM121,581.72 ⁽²⁾
2.	Plot D, KM 6, Jalan Rompin, 26700, Muadzam Shah, Pahang.	Cow barns, pasture area, feed store and raw material sheds. / Development of dairy cattle farm also known as Taiping Farm.	Please refer to note (3).	26,477/ 828 acres	3 years from 15 October 2019 to 14 October 2022.	RM256,800.00 ⁽⁴⁾
	Federal Land Commissioner (as landlord) / Farm Fresh (as tenant).					
	Geran 128838, Lot 12802, Mukim Batu Kurau, Daerah Larut & Matang.					
	Geran 128838, Lot 12802, Mukim Batu Kurau, Daerah Larut & Matang, Taiping, Perak.					

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
3.	Perbadanan Kemajuan Pertanian Negeri Pahang (as sub-lessor) / Farm Fresh (as sub-lessee). HSD 5570, PT 11701, Mukim Bebar, Daerah Pekan, Pahang. Plot D, KM 6, Jalan Rompin, 26700, Muadzam Shah, Pahang.	Vacant land / Development of fodder and beef cattle farm.	Not applicable.	Not applicable / 500 acres.	30 years from 1 January 2021 to 31 December 2050 ⁽⁵⁾ with an option to renew for a further term of 30 years subject to the consent of Perbadanan Setiausaha Kerajaan Pahang.	RM100,000.00
4.	Bio Desaru Sdn Bhd (" BDSB ") (as lessor) / Holstein Dairy (Desaru) (as lessee). Part of HSD 32179, PTD 1721, Mukim Sedili Kechil, Kota Tinggi, Johor and part of HSD 32180, PTD 1722, Mukim Sedili Kechil, Kota Tinggi, Johor (" Demised Premises "). HSD 32179, PTD 1721, Mukim Sedili Kechil, Kota Tinggi, Johor.	Two cow barns, two storerooms, one milking room and control room, one worker house with toilet, worm farming house, pasture area / Dairy farming, breeding and herd improvement which also known as Desaru Farm.	Please refer to note (6).	7,883 sq ft / 325 acres	Please refer to note (7).	RM25,000.00 ⁽⁷⁾

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant or sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/ Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
5.	Ng Ming Huat Sdn Bhd (as landlord) / FFMSB (as tenant). HSD 520285, Lot 6386, Bandar Johor Bahru, Daerah Johor Bahru, Johor.	One permanent factory building / Warehouse.	18 March 1969	929 / 1.126 ha	3 years from 1 August 2020 to 31 July 2023 with an option to renew for a further term of 2 years.	RM84,000.00
6.	Gem Organics (lessor) / FFMSB (lessee). HSD 24448, PTD 2975, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor.	Detached house, workers quarters, cow sheds, calf pens, rapid exit milking station, feed store and raw material sheds ⁽⁸⁾ / Dairy cattle farm also known as Mawai Farm ⁽⁹⁾ .	Please refer to note (8).	18,468.81 / 190.589 ha	10 years from 1 January 2015 with an option to renew for a further term of 10 years.	RM12,000.00
7.	PTD 2975, Batu 13, Jalan Mersing, 81900 Kota Tinggi, Johor. Rainforest Produce Sdn Bhd (as landlord) and FFMSB (as tenant). Geran 95052, Lot 203, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor. Lot 203, Mukim Ulu Sungei Sedeli Besar, Daerah Kota Tinggi, Johor.	Grazing ground for goats / Goat farming.	Not applicable.	Not applicable / 11.7611 ha	3 years from 1 April 2021 to 31 March 2024 with an option to renew for a year.	RM12,000.00

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

No.	Name of lessor/lessee or landlord/tenant or tenant sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area (sq m unless otherwise stated)	Land area (approximate) unless otherwise stated	Period of tenancy or lease	Annual rental
8.	Hajris Food Industries Sdn Bhd (as landlord) / Farm Fresh (as tenant). Geran 57053, Lot 21068, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. No.30 Jalan Kilang Midah, Taman Midah, Cheras, 56000 Kuala Lumpur.	Single storey factory building / Warehouse.	31 July 2019	722.79 / 1,288		2 years from 1 August 2021 to 31 July 2023 with an option to renew for a year.	RM180,000.00

Notes:

- (1) A warehouse and 14 barns at our Muadzam Land have not been issued with a CCC as the issuance of the CCC is preceded by the planning permission and building plan approval to be granted by the relevant authority. The submission of the building plan approval requires the planning permission to be first endorsed by Rompin District Council. Our Company had on 8 December 2021 submitted the planning permission to Rompin District Council and the planning permission was endorsed by the Rompin District Council on 16 December 2021. Our consultant is currently preparing the documents required for the submission of the application for building plan approval. Our Company will obtain the CCC after the building plan approval has been granted by the Rompin District Council. We will disclose the status of the application in our quarterly report.
- (2) MARDI has granted our Company rental exemption for a period of six months from 1 April 2020 until 30 September 2020.
- (3) As part of the development of our Taiping Farm, cow barns, pasture area, feed store and raw material sheds have been constructed and our Company has started its dairy farming operations at our Taiping Farm. The aforesaid buildings constructed at our Taiping Farm have not been issued with a CCC as the issuance of the CCC is preceded by the planning permission and building plan approval to be granted by the Taiping Municipal Council. Our Company had obtained the planning permission approval to develop our Taiping Farm on 23 July 2021. The submission of the building plan approval requires the planning permission to be first endorsed by the Taiping Municipal Council. Our Company had on 27 October 2021 submitted the planning permission to the Taiping Municipal Council and the planning permission was endorsed by the Taiping Municipal Council on 3 December 2021. Our Company had on 11 January 2022 submitted the application for building plan approval for three barns and a processing facility to be constructed at our Taiping Farm and is currently pending approval from the relevant authority. Our consultant is currently finalising the documents required for the submission of the application for building plan approval for the remaining structures to be constructed at our Taiping Farm and the application is expected to be made by the end of March 2022. Our Company will obtain the CCC after the building plan approval has been granted by the Taiping Municipal Council. We will disclose the status of application in our quarterly report.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

- (4) Our Company has been granted the following:
- (a) rental exemption for a period of nine months from 1 April 2020 to 31 December 2020; and
 - (b) 50% rental deduction for a period of six months from 1 January 2021 to 30 June 2021.
- (5) As at the LPD, the sub-lease has not been registered under Section 222(4) of the NLC. Please refer to Section 5.19 of this Prospectus for further details of risk associated with non-registration of sub-lease.
- (6) Holstein Dairy (Desaru) had on 22 December 2020 obtained a temporary building permit from Majlis Perbandaran Pengerang for the buildings constructed at our Desaru Farm. As the issuance of CCC is preceded by planning permission and building plan approval to be granted by Majlis Perbandaran Pengerang, Holstein Dairy (Desaru) intends to submit the application for planning permission to Majlis Perbandaran Pengerang by the end of March 2022. Holstein Dairy (Desaru) will apply for the CCC after planning permission and building plan approval have been obtained.
- (7) As part of the joint venture between BDSB and our Company, BDSB has agreed to lease the Demised Premises to Holstein Dairy (Desaru) for a period of 30 years. As at the LPD, the lease has not been registered under Section 221(4) of the NLC. Please refer to Section 5.19 of this Prospectus for further details of the risks associated with non-registration of lease. The lease rental comprises of:
- (a) RM25,000 per annum in respect of 25 acres of the Demised Premises payable from 17 May 2018; and
 - (b) RM3,000,000 in respect of the balance 300 acres of the Demised Premises payable when the lease over the 300 acres is registered in favour of Holstein Dairy (Desaru) where RM1,000,000 will be satisfied by way of Holstein Dairy (Desaru) allotting such number of new ordinary shares to BDSB representing 33% of Holstein Dairy (Desaru)'s issued paid up share capital and the remaining RM2,000,000 in eight annual instalments of RM250,000.
- (8) Please refer to notation (2) of Annexure B.1 above.
- (9) Please refer to notation (3) of Annexure B.1 above.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

Australia

No.	Name of lessor/lessee or landlord/tenant or tenant sub-tenant/Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Period of tenancy or lease	Annual rental
1.	Victoria Rail Track (also known as VicTrack) (as landlord) / THMC (Australia) (as tenant) / Railway lots adjacent to 85 McCormick Road, Kyabram.	Discharge pipes connecting to our Kyabram Facility that are under railway lines owned by VicTrack and carry trade waste water that is discharged into evaporation ponds.	Not applicable.	Not applicable.	From 1 November 2021 to 31 October 2031.	Nil
2.	Powercor Australia Limited (as tenant) / THMC (Australia) (as landlord) / 85 McCormick Road, Kyabram.	An electrical kiosk substation site.	Not applicable.	4 / Not applicable.	From 5 September 2012 to 4 September 2042.	\$0.10 per annum on demand

None of the properties disclosed above are in breach of any land use conditions and/or in non-compliance with statutory requirement, land rules or building regulations which will have a material adverse impact on our operations or utilisation of our assets on the said properties.

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ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

B.3 OTHER PROPERTIES OCCUPIED BY OUR GROUP

No.	Lot No. /Postal address	Description of property/Existing use	Date of issuance of certificate of fitness for occupation/CCC	Built-up area/Land area (approximate) (sq m unless otherwise stated)	Tenure
1.	Part of HSD 13947, Lot PT 533, Mukim Dengkil, Daerah Sepang, Selangor. Unit Tenusu, Ladang 16 Taman Pertanian Universiti, Universiti Putra Malaysia, 43400 Serdang.	UPM-Farm Industry of Excellent Centre Fresh (ICoE) comprising cows barn, rapid exit milking station, warehouse, pasture area, solid separator, worm farming house, milk processing facility, office, retail & cafe shop, canopy, viewing room, fish conservatory, koi pond, pump house, water tank and toilet / Cattle farming which also known as UPM Farm, processing facility known as UPM Facility.	Please refer to note (1).	14,622 square feet / 40.59 ha	5 years, from 14 August 2017 to 13 August 2022 with an option to renew for a further term of 5 years ⁽²⁾ .

Notes:

- (1) Our Company is in the process of obtaining the CCC. We will disclose the status of application in our quarterly report.
- (2) Under the collaboration agreement dated 14 August 2017 between UPM and our Company, our UPM Farm is part of our Company's collaboration with UPM to establish the UPM-Farm Fresh Industry of Excellent Centre (ICoE). The collaboration is intended to, amongst others, enhance research related to dairy products, farming and develop our UPM Farm.

ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)

B.4 MATERIAL PROPERTIES UNDER CONSTRUCTION

The material properties under construction as at the LPD are set out below:

No.	Nature/reason of the plan	Estimated amount of expenditures/Expenditures paid (RM'000)	Method of financing	Estimated completion date	Estimated annual production capacity ('000 litres) / farm capacity
1.	Development of Taiping Farm.	8,358	Internal funding and borrowings	First half of 2022	20,790 / 3,100 cows

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ANNEXURE B: OUR MATERIAL PROPERTIES AND MATERIAL EQUIPMENT (Cont'd)**B.5 MATERIAL EQUIPMENT**

The material plant and equipment used by our business operations as at the LPD are set out below:

Description	NBV as at 30 September 2021 (RM'000)
Property, plant and equipment at our Muadzam Shah Farm comprising equipment relating to rotary milking system, tunnel-ventilated barns and cow soakers, and insulated roofing, among others.	28,751
Property, plant and equipment at our Muadzam Shah Facility comprising equipment and machinery relating to pasteurisation, UHT processing, storage tank, filling and packaging lines, among others.	69,577
Property, plant and equipment at our Larkin Facility comprising equipment and machinery relating to pasteurisation lines, storage tank, filling and packaging lines, among others.	39,490
Property, plant and equipment at our Desaru Farm comprising equipment relating to rapid exit milking station, fan ventilated barns, among others	12,048
Property, plant and equipment at our Mawai Farm comprising equipment relating to rapid exit milking station, fan ventilated barns, among others.	13,471
Property, plant and equipment at our UPM Farm and UPM Facility comprising equipment relating to rapid exit milking station, tunnel-ventilated barns, pasteurisation line, storage tank, filling and packaging lines, among others.	16,190
Property, plant and equipment at our Taiping Farm comprising equipment relating to barn, tractors, among others	18,792
Property, plant and equipment at our Greater Shepparton Farm comprising equipment relating to rotary milking system, cup remover, feed system, among others.	49,596
Property, plant and equipment at our Kyabram Facility comprising machinery and equipment relating to heat regen and separator, bactofuge process, homogenise, pasteurisation, reverse osmosis, storage tank and high sheer mixer, among others.	69,494
Total	317,409

ANNEXURE C: DETAILS OF TRADEMARKS, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS

The trademarks that we are materially dependent on are as follows:

Malaysia

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.	FARM-FRESH	Farm Fresh	2010024863	Malaysia	27 December 2030	29: Albumen for food; alginates for food; almonds, ground; anchovy; animal marrow for food; apple puree; bacon; beans, preserved; black pudding; blood sausage; bone oil, edible; bouillon; bouillon concentrates; bouillon (preparations for making); broth; broth concentrates; butter; buttercream; casein for food; caviar; charcuterie; cheese; chips; chocolate nut butter; clams (not live); cocoa butter; coconut butter, coconut, desiccated; coconut fat; coconut oil; colza oil for food; concentrates; corn oil; cranberry sauce (compote); crayfish (not live); cream (dairy products); cream; crisps; croquettes; crustaceans (not live); crystallized fruits; dates; edible birds' nests; edible fats; edible oils; eggs; eggs (for consumption); fat; fat-containing mixtures for bread slices; fatty substances for the manufacture of edible fats; fillets; fish fillets; fish; fish (not live); fish; preserved; fish, tinned (canned (Am.)); fishmeal for human consumption; flakes; foods prepared from fish; frosted fruits; frozen fruits; fruit chips; fruit jellies; fruit peel; fruit, preserved; fruit preserved in alcohol; fruit pulp; fruit salads; fruit, stewed; fruits, tinned (canned (Am.));

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						game (dead); garden herbs, preserved; gelatine for food; gherkins; ginger jam; ham; herrings; hummus (chickpea paste); isinglass for food; jams; jellies for food; juices for cooking; kefir (milk beverage); kephir (milk beverage); koumiss (koumiss) (milk beverage); kumys (kumyss) (milk beverage); lard for food; lentils; preserved; liver; liver pate; lobsters (not live); maize oil; margarine; marmalade; marrow for food; meat; meat extracts; meat jellies; meat, preserved; meat, tinned (canned (Am)); meats; milk; milk beverage (milk predominating); milk products; mushrooms, preserved; mussels (not live); nuts, prepared; olive oil for food; olives, preserved; onions, preserved; oysters (not live); palm kernel oil for food; palm oil for food; pastes; pate; peanut butter; peanuts, processed; peas, preserved; pectin for food; peel; piccalilli, pickles; pollen prepared as foodstuff; pork; potato chips; potato crisps; potato flakes; potato fritters; poultry, not live; powdered eggs; prawns (not live); protein for human consumption; pudding (blood sausage); pulp; raisins; rape oil for food; rennet; salads; salmon; salted fish; salted meats; sardines; sauerkraut; sausages; sausage in batter; sea-cucumbers (not live); sesame oil; shellfish (not live); shrimps (not live); silkworm chrysalis, for human consumption, snail eggs (for consumption); soup; soup preparations;

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
2.	FARM-FRESH	Farm Fresh	2017069442	Malaysia	4 October 2027	30: Coffee and tea; all included in class 30.
3.	THE-REAL-MILK	Farm Fresh	2010024866	Malaysia	27 December 2030	35: Advertising; direct mail advertising; outdoor advertising; sales promotion; distribution of samples; franchise and retailing shop connected to food and drink; all included in class 35.
4.	THE-REAL-MILK	Farm Fresh	2010024867	Malaysia	27 December 2030	29: Albumen for food; alginates for food; almonds, ground; anchovy; animal marrow for food; apple puree; bacon; beans, preserved; black pudding; blood sausage; bone oil, edible; bouillon; bouillon concentrates; bouillon (preparations for making); broth; broth concentrates; butter; buttercream; casein for food; caviar; charcuterie; cheese; chips; chocolate


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						nut butter; clams (not live); cocoa butter; coconut butter, coconut, desiccated; coconut fat; coconut oil; colza oil for food; concentrates; corn oil; cranberry sauce (compote); crayfish (not live); cream (dairy products); cream; crisps; croquettes; crustaceans (not live); crystallized fruits; dates; edible birds' nests; edible fats; edible oils; eggs; eggs (for consumption); fat; fat-containing mixtures for bread slices; fatty substances for the manufacture of edible fats; fillets; fish fillets; fish, fish (not live); fish; preserved; fish, tinned (canned (Am.)); fishmeal for human consumption; flakes; foods prepared from fish; frosted fruits; frozen fruits; fruit chips; fruit jellies; fruit peel; fruit, preserved; fruit preserved in alcohol; fruit pulp; fruit salads; fruit, stewed; fruits; fruits, tinned (canned (Am.)); game (dead); garden herbs, preserved; gelatine for food; gherkins; ginger jam; ham; herrings; hummus (chickpea paste) isinglass for food; jams; jellies for food; juices for cooking; kefir (milk beverage); kephir (milk beverage); koumiss (koumiss) (milk beverage); kumys (kumyss) (milk beverage; lard for food; lentils; preserved; liver; liver pate; lobsters (not live); maize oil; margarine; marmalade; marrow for food; meat; meat extracts; meat jellies; meat, preserved; meat, tinned (canned (Am.)); meats; milk; milk beverage (milk


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						predominating); milk products; mushrooms, preserved; mussels (not live); nuts, prepared; olive oil for food; olives, preserved; onions, preserved; oysters (not live); palm kernel oil for food; palm oil for food; pastes; pate; peanut butter; peanuts, processed; peas, preserved; pectin for food; peel; piccalilli, pickles; pollen prepared as foodstuff; pork; potato chips; potato crisps; potato flakes; potato fritters; poultry, not live; powdered eggs; prawns (not live); protein for human consumption; pudding (blood sausage); pulp; raisins; rape oil for food; rennet; salads; salmon; salted fish; salted meats; sardines; sauerkraut; sausages; sausage in batter; sea-cucumbers (not live); sesame oil; shellfish (not live); shrimps (not live); silkworm chrysalis, for human consumption, snail eggs (for consumption); soup; soup preparations; soups; soya beans, preserved, for food; spiny lobsters (not live); suet for food; sunflower oil for food; tahini (sesame seed paste); tofu; tomato juice for cooking; tomato puree; tripe; truffles, preserved; tuna fish; vegetable juices for cooking; vegetable salads; vegetable soup preparations; vegetables, cooked; vegetables, dried; vegetables, preserved; vegetables, tinned (canned (Am.)); weed extracts for food; whey; whipped cream; white of eggs; yoghurt; yogurt; yolk of eggs; all included in class 29.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
5.		Farm Fresh	2012050041	Malaysia	5 January 2032	30: Almond confectionery; barley meal; bean meal; beer vinegar; biscuits; bread; bread rolls; buns; cake paste; cakes; candy for food; caramels (candy); celery salt; cereal preparations; cocoa; cocoa beverages with milk; cocoa products; cocoa-based beverages; coffee; condiments; confectionery; confectionery for decorating Christmas trees; cookies; cooking salt; corn flakes; corn flour; corn meal; crackers; curry (spice); custard; dressings for salad; edible ices; essences for foodstuffs (except etheric essences and essential oils); farinaceous food pastes; farinaceous foods; ferments for pastes; flavorings, other than essential oils; flavorings, other than essential oils, for beverages; flavorings, other than essential oils, for cakes; flour for food; flour-milling products; fruit jellies (confectionery); ginger (spice); gingerbread; golden syrup; groats for human food; gruel, with a milk base, for food; halvah; honey; husked barley; husked oats; ice cream; ice cream (binding agents for -); ice for refreshment; ice, natural or artificial; iced tea; ices (binding agents for edible -); ices (edible -); ices (powder for edible -); liquorice (confectionery); lozenges (confectionery); maize flakes; maize flour; maize meal; malt biscuits; malt for human consumption; meat gravies; macaroni; meat pies; mint for confectionery; natural sweeteners ;

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
6.		Farm Fresh	2012050039	Malaysia	5 January 2032	<p>pancakes; pastilles; pastries; pastry; pastry; pate; peanut confectionery; pepper; petit-beurre biscuits; petits fours (cakes); pies; pizzas; popcorn; potato flour for food; powders for ice cream; puddings; quiches; ravioli; ribbon vermicelli; rice; rice cakes; royal jelly for human consumption (not for medical purposes); sago; sandwiches; sauces (condiments); sausage binding materials; sea water (for cooking); seasonings; semolina; soya flour; soya sauce; spaghetti; spices; spring rolls; star aniseed; starch for food; starch products for food; sugar; sugar confectionery; sushi; sweetmeats (candy); tabbouleh; tacos; tapioca; tapioca flour for food; tarts; tea; thickening agents for cooking foodstuffs; unleavened bread; vegetable preparations for use as coffee substitutes; vinegar; waffles; wheat flour; yeast; yeast in pill form, not for medical use; all included in class 30.</p> <p>29: Albumen for food; alginates for food; almonds, ground; anchovy; animal marrow for food; apple puree; bacon; beans, preserved; black pudding; blood sausage; bone oil, edible; bouillon; bouillon concentrates; bouillon ; broth; broth concentrates; butter; buttercream; casein for food; caviar; charcuterie; cheese; chips; chocolate nut butter; clams (not live); cocoa butter; coconut butter, coconut</p>





ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						desiccated; coconut fat; coconut oil; colza oil for food; concentrates; corn oil; cranberry sauce (compote); crayfish (not live); cream (dairy products); cream; crisps; croquettes; crustaceans (not live); crystallized fruits; dates; edible birds' nests; edible fats; edible oils; eggs; eggs (for consumption); fat; fat-containing mixtures for bread slices; fatty substances for the manufacture of edible fats; fillets; fish fillets; fish (not live); fish, preserved; fish, tinned (canned (Am.)); fishmeal for human consumption; flakes; foods prepared from fish; frosted fruits; frozen fruits; fruit chips; fruit jellies; fruit peel; fruit, preserved; fruit preserved in alcohol; fruit pulp; fruit salads; fruit, stewed; fruits; fruits, tinned (canned (Am.)); game (dead); garden herbs, preserved; gelatine for food; gherkins; ginger jam; ham; herrings; hummus (chickpea paste); isinglass for food; jams; jellies for food; juices for cooking; kefir (milk beverage); kephir (milk beverage); koumiss (koumiss) (milk beverage); kumys (koumiss) (milk beverage); lard for food; lentils; preserved; liver; liver pate; lobsters (not live); maize oil; margarine; marmalade; marrow for food; meat; meat extracts; meat jellies; meat, preserved; meat, tinned (canned (Am.)); meats; milk; milk beverage (milk predominating); milk products; mushrooms, preserved; mussels (not


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
						live); nuts, prepared; olive oil for food; olives, preserved; onions, preserved; oysters (not live); palm kernel oil for food; palm oil for food; pastes; pate; peanut butter; peanuts, processed; peas, preserved; pectin for food; peel; piccalilli, pickles; pollen prepared as foodstuff; pork; potato chips; potato crisps; potato flakes; potato fritters; poultry, not live; powdered eggs; prawns (not live); preparation for making bouillon; protein for human consumption; pudding (blood sausage); pulp; raisins; rape oil for food; rennet; salads; salmon; salted fish; salted meats; sardines; sauerkraut; sausages; sausage in batter; sea-cucumbers (not live); sesame oil; shellfish (not live); shrimps (not live); silkworm chrysalis, for human consumption, snail eggs (for consumption); soup; soup preparations; soups; soya beans, preserved, for food; spiny lobsters (not live); suet for food; sunflower oil for food; tahini (sesame seed paste); tofu; tomato juice for cooking; tomato puree; tripe; truffles, preserved; tuna fish; vegetable juices for cooking; vegetable salads; vegetable soup preparations; vegetables, cooked; vegetables, dried; vegetables, preserved; vegetables, tinned (canned (Am.)); weed extracts for food; whey; whipped cream; white of eggs; yoghurt; yogurt; yolk of eggs; all included in class 29.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
7.		Farm Fresh	2016052356	Malaysia	13 February 2026	29: Milk and milk products; all included in class 29.
8.		Farm Fresh	2017069439	Malaysia	4 October 2027	30: Coffee and tea; all included in class 30.
9.		Farm Fresh	2016052358	Malaysia	13 February 2026	29: Milk and milk products; all included in class 29.
10.		Farm Fresh	2016052437	Malaysia	15 February 2026	29: Milk and milk products; all included in class 29.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
11.		Farm Fresh	TM2020030797	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).
12.		Farm Fresh	TM2020030798	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).
13.		Farm Fresh	TM2020030799	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration Application no. / no. /	Place of Registration	Expiry date	Class/ Description of trademark
14.		Farm Fresh	TM2020030800	Malaysia	21 December 2030	30: Beverages made of coffee; beverages made of coffee; coffee beverages with milk; coffee beverages; coffee-based beverages; iced coffee; instant coffee; prepared coffee-based beverages; chocolate beverages with milk; chocolate desserts; frozen yogurt (confectionery ices).
15.		Farm Fresh	TM2020030801	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cows' milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages, made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
16.		Farm Fresh	TM2020030802	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.

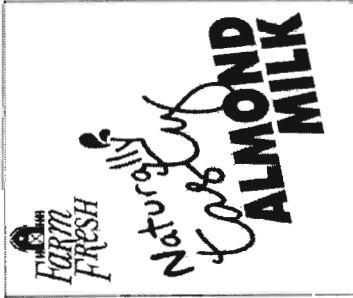
ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
		Farm Fresh	TM2020030803	Malaysia	21 December 2030	
17.		Farm Fresh	TM2020030803	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
18.		Farm Fresh	TM2020030804	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
19.		Farm Fresh	TM2020030805	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages, made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
20.		Farm Fresh	TM2020031029	Malaysia	21 December 2030	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; almond milk; milk beverages flavored with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; eggs, milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages, made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.



ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
21.		Farm Fresh	TM2021030463 (Pending)	Malaysia	N/A	Class 29 Milk; goat milk; oat milk; rice milk; soured milk; soya milk; cow's milk; almond milk; milk beverages flavoured with coffee, cocoa, chocolate or tea; uht milk; bases for making milk shakes; beverages based on fermented milk substitutes; beverages consisting primarily of milk; desserts made from milk products; milk and milk products; half and half (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavoured with chocolate; milk curd; milk, cheese, butter, yogurt and other milk products; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavoured with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; soya milk being milk substitute; sheep milk; sesame milk; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
22.	PISHANG	Farm Fresh	TM2021028723 (Pending)	Malaysia	N/A	Class 29 Meat, fish, poultry and game, meat extracts, preserved, frozen, dried and cooked fruits and vegetables, jellies, jams, compotes, eggs, milk, cheese, butter, yoghurt and other milk products, oil and fats for food. Class 32 Beers, non alcoholic beverages, mineral and aerated waters, fruit beverages and fruit juices, syrups and other non alcoholic preparations for making beverages.
23.		Farm Fresh	TM2021035604 (Pending)	Malaysia	N/A	Class 30 Dairy ice cream; non-dairy ice cream; fruit ice cream; ice cream; fruit ice cream bars; ice cream bars; ice cream cakes; ice cream desserts; ice cream mixes; ice cream substitutes; ice cream sundaes; ice cream wafers.




ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
24.		Farm Fresh	TM2021035605 (Pending)	Malaysia	N/A	Class 29 Cow's milk; goat milk; milk; oat milk; rice milk; soured milk; almond milk; uht milk; milk beverages flavored with coffee, cocoa, chocolate or tea; bases for making milk shakes; beverages based on fermented milk substitutes; beverage consisting primarily of milk; desserts made from milk products; milk and milk products; half and half milk (milk and cream mixture); hemp milk used as a milk substitute; lactose-free milk; milk beverages flavored with chocolate; milk, cheese, butter, yogurt and other milk product; milk cured; beverages made from yogurt; milk-based beverages containing fruits; milk-based beverages flavored with vanilla; non-fat milk; powdered milk; protein milk; powdered soya milk; sheep milk; sesame milk; soya-based beverages used as milk substitutes; yoghurt based on milk substitutes; fruit-flavoured yogurts; yogurt beverages; yogurt drinks; flavoured yogurts.
25.		FFMSB	TM2019018129	Malaysia	20 May 2029	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; dried milk; milk cream; milk curds; sheep milk; whole milk; milk products; sour milk products; by-products of milk; dried milk products; curdled milk products; low fat milk products; half-fat milk products; milk and milk products; products based on milk; milk proteins


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
26.		FFMSB	2017056506 (Pending)	Malaysia	N/A	(milk products); whey proteins (milk products); milk based products, milk predominating; products made wholly or principally of milk; edible jellies made from milk and vegetable products; milk, cheese, butter, yoghurt and other milk products; goat milk; goat cheese; goat's milk; powdered goat milk; cheese made from goats milk; yoghurt made from goats milk; sheep milk; sheep cheese; cows' milk; cheese; blue cheese; cheese dips; curd cheese; goat cheese; hard cheese; soft cheese; cream cheese; fresh cheese; sheep cheese; white cheese; cheese fondue; cheese powder; cheese sticks; yogurt, yogurt drinks; drinking yogurts; yogurt for drinking; drinks based on yogurt; yogurt-based beverages; beverages made from yogurt; beverages made with yogurt; butter; butter oil; buttermilk; buttercream; apple butter; cocoa butter; honey butter; lemon butter; seed butters; almond butter; caviar butter; garlic butter; peanut butter; all included in class 29.
						29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
27.		FFMSB	2017056507 (Pending)	Malaysia	N/A	29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.
28.		FFMSB	2017057661 (Pending)	Malaysia	N/A	29: Milk and milk products; all included in class 29.
29.		FFMSB	2017075684 (Pending)	Malaysia	N/A	29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.

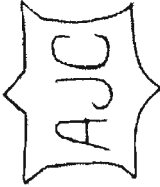


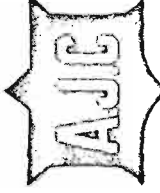
ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
30.		FFMSB	2017075685 (Pending)	Malaysia	N/A	29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats; all included in class 29.

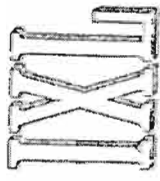

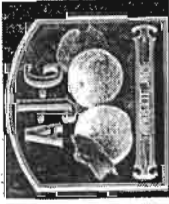
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ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)


Australia

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.		Henry Jones Foods Pty Ltd	195269	Australia	21 January 2027	Class 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour and preparations made from cereals; bread, biscuits, cakes, pastry and confectionery, ices, honey, treacle; yeast, baking-powder; salt, mustard, pepper, vinegar, sauces, spices, ice.
2.		Henry Jones Foods Pty Ltd	195270	Australia	21 January 2027	Class 31: Fresh fruits and vegetables, foodstuffs for animals, malt.
3.		Henry Jones Foods Pty Ltd	195271	Australia	21 January 2027	Class 32: Syrups and other preparations for making beverages.
4.		Henry Jones Foods Pty Ltd	195272	Australia	21 January 2027	Class 5: Infants' and invalids' foods.




ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
5.		Henry Jones Foods Pty Ltd	244942	Australia	15 October 2028	Class 30: Sauce and other fruit and vegetable products included in this class.
6.		Henry Jones Foods Pty Ltd	249281	Australia	25 January 2029	Class 30: Sauces condiments, honey, confectionery and biscuits.
7.	IXL	Henry Jones Foods Pty Ltd	318346	Australia	18 May 2029	Class 29: Frozen food products included in Class 29.
8.	IXL	Henry Jones Foods Pty Ltd	416983	Australia	19 October 2025	Class 29: All goods in Class 29 including margarine, oils and fats.
9.		Henry Jones Foods Pty Ltd	548651	Australia	11 January 2028	Class 29: All goods in class 29 including but not limited to jams and preserves.
10.	TAYLORS	Henry Jones Foods Pty Ltd	642669	Australia	7 October 2024	Class 29: Crushed garlic, minced garlic, crushed ginger, crushed chilli, mint jelly. Class 30: Marinades, seafood sauces, tartare sauces, simmer sauces, mayonnaise, coleslaw dressing.




ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration Application no.	Place of Registration	Expiry date	Class/ Description of trademark
11.	LACKERSTEEN LACKERSTEENS LACKERSTEEN'S	Henry Jones Foods Pty Ltd	744027	Australia	16 September 2027	Class 29: Marmalade, jams, preserves, jellies.
12.	MARINADER	Henry Jones Foods Pty Ltd	760588	Australia	24 April 2028	Class 20: Packaging containers (not of metal).
13.	 <i>Good food made better.</i>	Henry Jones Foods Pty Ltd	760590	Australia	24 April 2028	Class 29: Crushed garlic, minced garlic, crushed ginger, crushed chilli, mint jelly. Class 30: Marinades, seafood sauces, tartare sauces, simmer sauces, mayonnaise, coleslaw dressing.
14.	IXL	Henry Jones Foods Pty Ltd	771607	Australia	28 August 2028	Class 29: Fruit based snack foods, fruit bars.
15.	IXL	Henry Jones Foods Pty Ltd	781227	Australia	11 December 2028	Class 30: Flour and preparations made from cereals, bread, pastry, cakes, biscuits, and confectionery; snack foods in this class; sauces in this class. Class 29: Prepared meals in this class; snack foods in this class; preserved, dried and cooked vegetables; edible oils and fats; salad dressings; preserves. Class 30: Coffee, artificial coffee and tea, cocoa, foods made from cereals and grains including rice and flour; bread, pastry and snack foods in this




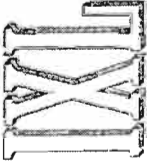
ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
16.		Henry Jones Foods Pty Ltd	1121844	Australia	3 July 2026	Class 31: Fresh fruits and vegetables; grains in this class; malt. Class 32: Non-alcoholic beverages including fruit drinks and fruit juices; preparations and syrups for making beverages.
17.		Henry Jones Foods Pty Ltd	1234291	Australia	9 April 2028	Class 30: Condiments and condiment sauces, flavourings in this class, relish, sauces, seasonings, spices; sandwich spreads in this class. Class 29: Fruit jams; jams; sweet spreads (jams).
18.		Henry Jones Foods Pty Ltd	1285990	Australia	19 February 2029	Class 30: Marinades, seafood sauces, tartare sauces, simmer sauces, mayonnaise, coleslaw dressing.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)


No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
19.		Henry Jones Foods Pty Ltd	1337770	Australia	21 December 2029	Class 29: Jams, preserves, jellies, sweet spreads, canned fruits, dried fruits, preserved, dried and cooked vegetables, pickles, fruit based snack foods, fruit bars.
20.	IXL Superfruits	Henry Jones Foods Pty Ltd	1489546	Australia	8 May 2022	Class 29: Fruit jams; jams; low sugar jams; setting agents for jams; sweet spreads (jams); fruit spread; spreadable fruit.
21.		Henry Jones Foods Pty Ltd	1508158	Australia	14 August 2022	Class 30: Mustard; vinegar, sauces (condiments); spices.
22.	H. JONES & Co	Henry Jones Foods Pty Ltd	1533752	Australia	2 January 2023	Class 29: Compotes; Fruit jellies; Jellies; Fruit jams; Jams; Sweet spreads (jams). Class 30: Sauces (condiments); Honey; Sweet spreads (honey); Treacle.
23.		Henry Jones Foods Pty Ltd	1555143	Australia	3 May 2023	Class 29: Fruit jams; Jams; Sweet spreads (jams); Compotes; Fruit jellies; Jellies; Marmalade jellies. Class 30: Condiments; Treacle; Honey; Honeys; Sweet spreads (honey).

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
24.		Henry Jones Foods Pty Ltd	1842853	Australia	5 May 2027	Class 29: Jams, preserves, jellies, sweet spreads, canned fruits, dried fruits, preserved, dried and cooked vegetables, pickles, fruit based snack foods, fruit bars. Class 30: Condiments; Sauces (condiments); Honey; Honeys; Sweet spreads (honey); Treacle; Chocolate fudge; Chocolate sauce; Chocolate spreads for use on bread; Fruit coulis (sauces).
25.		Henry Jones Foods Pty Ltd	7091	Australia	21 January 2027	Class 29: Meat, fish, poultry and game; meat extracts, preserved, dried and cooked fruits and vegetables; jellies, jams, eggs, milk and other dairy products; edible oils and fats; preserves, pickles.
26.		Henry Jones Foods Pty Ltd	17887	Australia	25 January 2029	Class 29: Jams, preserves fruits, dried fruits, pickles, butter.
27.		Henry Jones Foods Pty Ltd	17509	Australia	15 October 2028	Class 29: Jams, preserves, desert fruits, evaporated fruits, pickles and other fruit and vegetable products included in this class.
28.	I.X.L.	Henry Jones Foods Pty Ltd	176386	Australia	01 October 2027	Class 29: Preserved, dried and cooked fruits and vegetables.


ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Singapore

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.		FFMSB	40201909279R	Singapore	29 April 2029	29: Milk; oat milk; goat milk; rice milk; sour milk; soya milk; cows' milk; dried milk; milk cream; milk curds; sheep milk; whole milk; milk products; sour milk products; by-products of milk; dried milk products; curdled milk products; low fat milk products; half-fat milk products; milk and milk products; products based on milk; milk proteins (milk products); whey proteins (milk products); milk based products, milk predominating; products made wholly or principally of milk; edible jellies made from milk and vegetable products; milk, cheese, butter, yoghurt and other milk products; goat milk; goat cheese; goat's milk; powdered goat milk; cheese made from goats milk; yoghurt made from goats milk; sheep milk; sheep cheese; cows' milk; cheese; blue cheese; cheese dips; curd cheese; goat cheese; hard cheese; soft cheese; cream cheese; fresh cheese; sheep cheese; white cheese; cheese fondue; cheese powder; cheese sticks; yogurt; yogurt drinks; drinking yogurts; yogurt for drinking; drinks based on yogurt; yogurt-based beverages; beverages made from yogurt; beverages made with yogurt; butter; butter oil; buttermilk; buttercream; apple butter; cocoa butter; honey butter; lemon butter; seed butters; almond butter; caviar butter; garlic butter; peanut butter.

ANNEXURE C: DETAILS OF TRADEMARK, BRAND NAMES, AND OTHER INTELLECTUAL PROPERTY RIGHTS (Cont'd)

Indonesia

No.	Trademark	Registered owner / Applicant	Registration no. / Application no.	Place of Registration	Expiry date	Class/ Description of trademark
1.		FFMSB	DID2019062335	Indonesia	18 October 2029	29: Cheese, milk; soy milk; milk as the main component; milk substitutes; protein milk; yogurt; butter; kumys (milk beverage); milk products.

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ANNEXURE D: BY-LAWS FOR THE ESOS**FARM FRESH BERHAD (“FFB”)
EMPLOYEES’ SHARE OPTION SCHEME (“ESOS”)****1. NAME OF SCHEME**

This ESOS will be called the “FFB’s Employees’ Share Option Scheme”.

2. DEFINITIONS AND INTERPRETATION

In these By-Laws, the following words and expressions shall bear the following meanings, unless the context otherwise requires:

“ Act ”	means the Companies Act, 2016, as amended from time to time and any re-enactment thereof.
“ Adviser ”	has the meaning ascribed to it in the Listing Requirements.
“ Auditor ”	mean any approved company auditor as defined under Section 2(1) of the Act.
“ Authorised Nominee ”	means a person who is eligible to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository.
“ Available Balance ”	means the unissued Shares of the Company which is available for offer of Options subject to the maximum limit as set out in By-Law 4.2 and after deducting all Shares under Options which have been granted.
“ Board ”	means the board of directors of the Company for the time being.
“ Bursa Depository ”	means Bursa Malaysia Depository Sdn Bhd.
“ Bursa Securities ”	means Bursa Malaysia Securities Berhad.
“ By-Laws ”	means the terms and conditions of the ESOS as set forth in these By-Laws as amended, modified and/or supplemented from time to time.
“ CDS ”	Central Depository System.
“ CDS Account ”	means the account established by Bursa Depository for a Depositor for the recording of deposits and withdrawal of securities and dealings in such securities by the Depositors.
“ Central Depositories Act ”	means the Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof.
“ Company ”	means Farm Fresh Berhad (Registration No.: 201001010221 (894851-U)), a public company limited by shares and incorporated in Malaysia.
“ Constitution ”	means the constitution of the Company.
“ Court ”	the High Court of Malaysia.
“ Date of Expiry ”	means the last day of the duration of the ESOS or any extended period pursuant to By-Law 3 .
“ Date of Offer ”	means the date on which an Offer is made by the ESOS Committee to an Eligible Person from time to time during the Option Period to participate in the ESOS.
“ Depositor ”	means a holder of a CDS Account.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

"Director(s)"	means a natural person who holds a directorship in FFB and shall have the meaning ascribed to it in the Listing Requirements.
"Effective Date"	means the date the last of the approvals and/or conditions referred to in By-Law 3.1 have been obtained and/or complied with.
"Eligible Person(s)"	means an Executive Director and/or Employee of a Group Company who fulfils the conditions as set out in By-Law 6 , for eligibility to participate in the ESOS.
"Employee(s)"	means a natural person who is employed by and is on the payroll of any company in the FFB Group.
"Entitlement Date"	means the date as at the close of business on which the names of the shareholders of FFB must appear on FFB's record of depositors in order to be entitled to participate in any dividends, rights, allotments or other forms of distribution.
"ESOS Committee"	means the committee appointed from time to time by the Board pursuant to By-Law 17 to administer the ESOS.
"Executive Director(s)"	means a natural person who holds a directorship in an executive capacity in FFB Group on the Date of Offer and is involved in the day-to-day management of any company within the FFB Group and excluding non-executive and alternate directors in the Company or any company within the FFB Group.
"Exercise Period"	means the specific period or periods within an Option Period during which Options may be exercised by Grantees, as determined by the ESOS Committee subject to By-Law 3 .
"Exercise Price"	means the price at which the Grantee shall be entitled to subscribe for every new FFB Share by exercising his Option as determined in accordance with By-Law 9 .
"Grantee(s)"	any Eligible Person who has accepted the Offer by the Company in accordance with the provisions of By-Law 8 .
"Good Leaver"	means a Grantee who has ceased or terminated his/her employment with the relevant Group Company due to: <ul style="list-style-type: none"> (i) retirement on or after attaining the normal retirement age; or (ii) retirement before attaining the normal retirement age but with the consent of the relevant employer company within the FFB Group; or (iii) transfer to any company outside the FFB Group at the direction of the Company subject to the approval and/or ratification by the Board; or (iv) retrenchment; or (v) ill-health, injury, physical or mental disability; or (vi) any separation scheme implemented by the Company; or (vii) any Director not being re-appointed during a general meeting of the Company; or (viii) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

"Group"	means, collectively, the Company and its Subsidiaries (excluding dormant Subsidiaries) and "Group Company" shall mean any one of them.
"Listing Requirements"	means the Main Market Listing Requirements of Bursa Securities, as amended from time to time.
"Market Day(s)"	means any day between Monday and Friday (both days inclusive) which is not a public holiday, and on which Bursa Securities is open for the trading of securities.
"Maximum Allocation"	Allowable means the maximum number of new Shares that can be offered and allotted to an Eligible Person to be determined by the ESOS Committee in accordance with the provisions of By-Law 7 .
"Maximum Limit"	means the maximum number of new FFB Shares which may be issued and allotted pursuant to the ESOS, which shall not exceed five percent (5%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS.
"Offer"	means an offer made in writing by the ESOS Committee to an Eligible Person in the manner indicated in By-Law 5 .
"Option(s)"	means the right of a Grantee to subscribe for new FFB Share(s) at the Exercise Price pursuant to the contract constituted by the selected Eligible Person's acceptance of an Offer in the manner indicated in By-Law 8 .
"Option Period"	means a period commencing from the date an Offer is accepted in accordance with By-Law 8 and expiring on the last day of the period referred to in By-Law 3 or such other date which the ESOS Committee may in its discretion decide, subject always to any further extension of period or early termination in accordance with the provisions of By-Law 3 , provided that no Option Period shall extend beyond the period referred to in By-Law 3 .
"Poor Leaver"	means a Grantee who is not deemed as a Good Leaver pursuant to these By-Laws and has ceased or terminated his/her employment with the relevant Group Company by way of: <ul style="list-style-type: none"> (i) voluntary resignation; or (ii) misconduct; or (iii) non-performance; or (iv) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.
"RM and sen"	Ringgit Malaysia and sen, respectively.
"Rules of Bursa Depository"	means the rules of Bursa Depository, as issued pursuant to the Central Depositories Act.
"Senior Management"	means an Employee of FFB Group who falls within such grading as determined by the ESOS Committee at its sole and absolute discretion from time to time.
"Shares" or "FFB Shares"	means ordinary shares in the share capital of the Company.
"Subsidiaries"	has the meaning defined in Section 4 of the Act.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

"Terms of Reference"	means the terms of reference which the Board may establish to regulate and govern the ESOS Committee's functions and/or responsibilities under these By-Laws, as may be amended from time to time.
"Trust Deed"	means the trust deed(s) constituting the Trust to be executed between the Trustee and the Company.
"Trust"	the trust to be established to facilitate the implementation of the ESOS.
"Trustee"	means the trustee(s) who may be appointed by FFB for the administration of the Trust from time to time.
"Vesting Conditions"	means the conditions which are required to be fulfilled by an Eligible Person before the Option(s) is/are capable of being vested onto the Eligible Person, to be communicated in an Offer pursuant to By-Law 5.3(vii) .
"VWAMP"	means volume weighted average market price.

In these By-Laws, unless the context otherwise requires:

- (i) words importing the singular number include the plural and vice versa and words importing the masculine, feminine or neuter gender shall include all genders;
- (ii) the headings and sub-headings herein are inserted for convenience only and shall not affect the interpretation of these By-Laws;
- (iii) any reference to a statute, statutory provisions, guidelines, regulations or rules includes a reference to that statute, statutory provision (and all statutory instruments or orders made pursuant to it), guidelines, regulations and rules, as from time to time amended, extended, re-enacted or consolidated;
- (iv) any liberty, power or discretion which may be exercised or any decision or determination which may be made under these by-Laws by the ESOS Committee (including any selection) may be exercised by the ESOS Committee having regard only to the Terms of Reference (where applicable) but subject to the Board's power to overrule any decision of the ESOS Committee. The ESOS Committee shall not be under any obligation to give any reason therefore, except as may be required by relevant authorities;
- (v) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day shall be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the expiry of the ESOS then the stipulated day shall be taken to be the last Market Day of the ESOS Period; and
- (vi) in the event of any change in the name of the Company from its present name, all references to "Farm Fresh Berhad" in these By-Laws and all other documents pertaining to the ESOS shall be deemed to be references to the Company's new name.

3. DURATION, EXTENSION AND TERMINATION OF THE SCHEME

3.1 The ESOS shall take effect from the Effective Date, which shall be the date of full compliance on which the last of the following approvals and/or conditions have been obtained and/or complied with:

- (i) submission to Bursa Securities of the final copy of these By-Laws together with a letter of compliance pursuant to paragraph 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

- (ii) approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new FFB Shares to be issued under the ESOS;
 - (iii) shareholders' approval for the ESOS at a general meeting;
 - (iv) approval of any other relevant authorities for the ESOS, if applicable; and
 - (v) fulfilment of all conditions attached to the above approvals, if any.
- 3.2 The Company shall through its Adviser submit no later than five (5) Market Days after the Effective Date, a confirmation letter to Bursa Securities of the full compliance of **By-Law 3.1** stating the Effective Date of the ESOS, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the ESOS.
- 3.3 The ESOS shall be in force for a period of ten (10) years commencing from the Effective Date ("**ESOS Period**") PROVIDED ALWAYS THAT on or before the expiry thereof where the maximum duration of a share issuance scheme allowed by the relevant authorities is more than ten (10) years, the Board shall have the sole and absolute discretion upon recommendation of the ESOS Committee, without the Company's shareholders' approval in a general meeting being required, to extend in writing the tenure of the ESOS for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first ten (10) years, PROVIDED ALWAYS THAT the ESOS shall not in aggregate exceed the maximum duration of a share issuance scheme allowed by the relevant authorities. Such renewed ESOS shall be implemented in accordance with the terms of these By-Laws set out herein, save for any amendments and/or changes to the relevant statutes and/or regulations currently in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices to each Grantee and make any announcements to Bursa Securities (if required) within thirty (30) days prior to the expiry of the original ESOS.
- 3.4 Offers can only be made during the duration of the ESOS before the Date of Expiry, which date shall be at the end of the ten (10) years from the Effective Date, or if the ESOS shall be extended, at the end of such extended term.
- 3.5 Notwithstanding anything to the contrary, all unexercised Options shall lapse after 5.00 p.m. on the Date of Expiry.
- 3.6 Notwithstanding the provision of **By-Law 3.3** and subject to compliance with the requirements of Bursa Securities and any other relevant regulatory authorities, the ESOS may be terminated by the Company at its sole and absolute discretion without obtaining the approvals or consents from the Grantees and/or the shareholders, by way of a board resolution upon the recommendation of the ESOS Committee at any time during the continuance of the ESOS whereupon such termination, (i) no further Offers shall be made by the ESOS Committee; (ii) all outstanding Options unexercised shall be automatically terminated; and (iii) all Offers made but not yet accepted by the Eligible Persons shall automatically lapse.
- 3.7 The Company shall immediately upon the termination of the ESOS before the Date of Expiry announce to Bursa Securities:
- (i) the effective date of termination;
 - (ii) the number of options exercised or shares vested; and
 - (iii) the reasons for termination.
- 3.8 Subject to the relevant approvals being obtained, the Company may implement a new employees' share option scheme after the expiration or termination of the ESOS pursuant to **By-Law 3.6**.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)**4. MAXIMUM NUMBER OF NEW FFB SHARES AVAILABLE UNDER THE SCHEME**

- 4.1 Each Option shall be exercisable into one (1) new FFB Share, in accordance with the provisions of these By-Laws.
- 4.2 The total number of new FFB Shares which may be made available under the ESOS shall not exceed in aggregate five percent (5%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS as provided in **By-Law 3.3**.
- 4.3 Notwithstanding the provision of **By-Law 4.2** or any other provisions contained herein, in the event the maximum number of new FFB Shares comprised in the Options granted under the ESOS exceeds the aggregate of five percent (5%) of the number of issued shares (excluding treasury shares, if any) of FFB as a result of FFB purchasing its own Shares pursuant to Section 127 of the Act or FFB undertaking any other corporate proposal and thereby diminishing its number of issued shares, no further Options shall be offered until the total number of new FFB Shares to be issued under the ESOS falls below five percent (5%) of the Company's total number of issued shares (excluding treasury shares, if any). Any Options granted prior to the adjustment of the number of issued shares of FFB shall remain valid and exercisable in accordance with the provisions of these By-Laws.

5. OFFER

- 5.1 The ESOS Committee may, at any time during the duration of the ESOS as defined in **By-Law 3**, make Offers in writing to any Eligible Person selected by the ESOS Committee which selection shall be at the sole and absolute discretion of the ESOS Committee.
- 5.2 The actual number of new FFB Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee and, subject to the Maximum Allowable Allotment as set out in **By-Law 7** and any adjustments that may be made under **By-Law 14** hereof, shall not be less than one hundred (100) FFB Shares and shall always be in multiples of one hundred (100) FFB Shares.
- 5.3 The ESOS Committee shall state the following particulars in the letter of Offer:
- (i) the number of Options that are being offered to the Eligible Person;
 - (ii) the number of FFB Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;
 - (iii) the Option Period;
 - (iv) the Exercise Period;
 - (v) the Exercise Price;
 - (vi) the Offer Period as defined in **By-Law 8.1**;
 - (vii) the conditions which are required to be fulfilled by an Eligible Person prior to such Option becoming vested onto the Eligible Person including but not limited to service and/or performance criteria and number of Options exercisable for each year of continued service as set out in **By-Law 10.1** ("**Vesting Conditions**"); and
 - (viii) any other information deemed necessary by the ESOS Committee.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

- 5.4 Any Offer made to any Director in an executive capacity, chief executive officer in FFB or persons connected with them shall require the prior approval of the shareholders of the Company in a general meeting and he/she shall not vote on the resolution approving the allocation and allotment to them and persons connected to them.

For the purpose of these By-Laws, "persons connected" with the Director in an executive capacity or chief executive officer in FFB shall have the same meaning given in relation to persons connected with a director or chief executive officer as defined in paragraph 1.01 of the Listing Requirements.

- 5.5 Without prejudice to **By-Law 17** hereof, in the event of an error or omission on the part of the Company or the ESOS Committee in stating any of the particulars referred to in **By-Law 5.3**, the Company or the ESOS Committee shall, within one (1) month after discovery of the error or omission, do all such things and acts to rectify such error or omission and if necessary, issue a supplemental letter of Offer, stating the correct particulars referred to in **By-Law 5.3**.
- 5.6 Subject to **By-Laws 4** and **7.3** hereof, nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to any Eligible Person PROVIDED ALWAYS THAT the total aggregate Options offered to each Eligible Person (including Options already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allocation of such Eligible Person at the time the subsequent Offer (if any) is made.
- 5.7 The ESOS Committee has the sole and absolute discretion not to make further additional Offers regardless of the amount of Available Balance.
- 5.8 The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by FFB Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in the manner set out in **By-Law 8**.
- 5.9 An Offer may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.
- 5.10 After each adjustment following an alteration of the Company's share capital as stipulated in **By-Laws 14.1** and **14.2** and the Company informing the Grantee of such adjustment pursuant to **By-Law 14.6**, upon the return by a Grantee of the original letter of Offer to the Company, that letter of Offer shall be amended or a new letter of Offer shall be issued within one (1) month from the date of return of the original letter, to reflect the adjustment made to the number of Options granted to the Grantee and/or the Exercise Price.
- 5.11 The Company shall keep and maintain at its expense, a register of Grantees and shall enter in that register the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of Options offered, the number of Options exercised, the Date of Offer and the Exercise Price.

6. ELIGIBILITY

- 6.1 An Employee or Executive Director who as at the Date of Offer, fulfils the following conditions shall be eligible to participate in the ESOS:
- (i) has attained eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) must have been confirmed in service;

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

- (iv) where the Employee or Executive Director is under an employment contract, the contract is for a duration of at least one (1) year and shall have not expired within three (3) months from the Date of Offer;
- (v) remains an employee of the Group and has not given any notice of resignation or received a notice of termination or has otherwise ceased or had his/her employment terminated;
- (vi) in the case of the Executive Director or employee of a corporation which is acquired by the Group during the ESOS Period and such corporation becomes a subsidiary of the Company upon completion of such acquisition, the Executive Director or employee must have completed a continuous period of employment of at least one (1) year in the Group from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period), following the date that such corporation becomes or is deemed to be a subsidiary of the Company; and
- (vii) where the Executive Director or Employee has attained the mandatory retirement age of sixty (60) years old, such Executive Director or employee shall have served for a continuous period of at least one (1) year in any corporation in the Group prior to attaining the said mandatory retirement age, and subsequently offered continued employment with such corporation for a minimum period of one (1) year and at the time of consideration for the Offer, he continues to be so employed;
- (viii) in respect of all foreign Executive Directors and/or employees (i.e. persons who are not Malaysian citizens) where in the opinion of the ESOS Committee the contribution of such Executive Director and/or employee is vital to the Group, such Executive Director and/or employee shall be eligible to participate in the ESOS, subject to the provisions of the By-Laws, if the required approvals (if any) from the relevant authorities have been obtained by the Company or such Executive Director or employee (as the case may be), AND such Executive Director and/or employee is, on the Date of Offer, under a subsisting employment contract and has served for at least a period of one (1) year from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period) prior to the Date of Offer; and
- (ix) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time,

PROVIDED ALWAYS THAT the selection of any Eligible Person for participation in the ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final, binding and conclusive. Notwithstanding the above, the ESOS Committee may, at its sole and absolute discretion, determine any other eligibility conditions or waive and vary any of the eligibility conditions set out above, for the purposes of selecting an Eligible Employee at any time and from time to time.

The eligibility does not confer on an Eligible Person, a claim or right to participate or a right to claim or any rights whatsoever in the ESOS unless the ESOS Committee has made an Offer to the Eligible Person, the Eligible Person has accepted the Offer, and the Eligible Person has fulfilled the Vesting Conditions, in accordance with the terms of the Offer and these By-Laws.

- 6.2 Subject to the provisions of **By-Law 24** hereof, no Eligible Person shall participate at any time in more than one (1) employees' share option scheme implemented by any company within the FFB Group during the duration of the ESOS.
- 6.3 Subject to **By-Law 4.2**, in the event that the ESOS Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the ESOS Committee may determine.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)**7. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOTMENT**

7.1 Subject to any adjustments as may be made under these By-Laws, the aggregate number of new FFB Shares that may be offered and allotted under the ESOS to any Eligible Person shall be determined by the ESOS Committee at its sole and absolute discretion, after taking into consideration, amongst others, the Eligible Person's position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in **By-Law 6** or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit, subject to, amongst others, the following:

- (i) the aggregate number of new FFB Shares to be issued pursuant to the exercise of the Options granted under the ESOS shall not exceed the Maximum Limit and the ESOS Committee shall not be obliged in any way to offer an Eligible Person the Options for all the specified maximum number of Shares the Eligible Person is entitled to under the ESOS;
- (ii) any Offer, allocation of Options under the ESOS and the related allotment of Shares to any Executive Directors or the chief executive officer of the Company and any person connected with them, shall require prior approval of the shareholders of the Company in a general meeting. The Executive Directors or chief executive officer of the Company and persons connected with them shall not vote on the resolution approving the said Offer, allocation and allotment;
- (iii) the Executive Directors and Senior Management shall not be allowed to participate in the deliberation or discussion of their respective allocation of Options and/or allocations of Options to persons connected with them under the ESOS;
- (iv) not more than ten percent (10%) of the Shares available under the ESOS shall be allocated to any Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds twenty percent (20%) (or such other percentage as the relevant authorities may permit) or more of the number of issued shares (excluding treasury shares, if any) of the Company;
- (vi) any performance target to be achieved before the Options can be granted and/or exercised by an Eligible Person shall be determined by the ESOS Committee.

For the avoidance of doubt, the ESOS Committee shall have sole and absolute discretion in determining whether the granting of the Options to the Eligible Persons will be based on staggered granting over the duration of the ESOS or in one (1) single grant. The ESOS Committee shall also have sole and absolute discretion in determining whether the Options granted are subject to any vesting period and if so the vesting conditions and whether such vesting conditions are subject to any performance targets.

For the purpose of these By-Laws, "persons connected" with the Eligible Person shall have the same meaning given in relation to persons connected with a director or major shareholder as defined in paragraph 1.01 of the Listing Requirements.

- 7.2 The allocation of Options pursuant to the ESOS shall be verified by the Audit Committee of the Company, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.
- 7.3 A Grantee who is promoted during the duration of the ESOS may be eligible for consideration of new additional Shares under the ESOS at the sole and absolute discretion of the ESOS Committee up to the Maximum Allowable Allocation to be determined by the ESOS Committee for the category to which he/she has been promoted to. A Grantee who is demoted to a lower employment category for whatever reason shall only be entitled to the allocation of that lower category unless an Offer has been made and accepted by him/her before such demotion.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

7.4 An Employee or Executive Director who during the duration of the ESOS becomes an Eligible Person may be eligible to participate in the ESOS, the number of new Shares of which is to be decided by the ESOS Committee at its sole and absolute discretion subject to any Maximum Allowable Allocation for the category to be determined by the ESOS Committee. Any Eligible Person holding more than one (1) position in the Group and thereby falling within more than one (1) category of Employees in the Group shall only be entitled to the Maximum Allowable Allocation of the higher category.

8. ACCEPTANCE OF THE OFFER

8.1 An Offer shall be valid for a period of thirty (30) calendar days from the Date of Offer or such longer period as the ESOS Committee at its sole and absolute discretion, determines on a case-to-case basis ("**Offer Period**"). Acceptance of the Offer by an Eligible Person shall be made by way of a written notice from the Eligible Person to the ESOS Committee in the form prescribed by the ESOS Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Offer (regardless of the number of Shares comprised therein).

8.2 In the event that the Eligible Person fails to accept the Offer or pay the acceptance consideration as set out in **By-Law 8.1** within the Offer Period and in the manner aforesaid, the Offer shall be deemed to have lapsed. The Options comprised in such Offer may, at the discretion of the ESOS Committee, be re-offered to other Eligible Persons.

9. EXERCISE PRICE

Subject to any adjustments made under these By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be:

- (i) in respect of any Offer which is made in conjunction with the listing of the Company, the Final Retail Price;
- (ii) in respect of any Offer which is made subsequent to the listing of the Company, as determined by the ESOS Committee and shall be based on the five (5)-day VWAMP of FFB Shares immediately preceding the Date of Offer, with a discount, if any, PROVIDED ALWAYS THAT such discount is not more than ten per cent (10%), if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the Option Period.

For the purposes of **By-Law 9(i)** above, "Final Retail Price" shall refer to the final price paid by investors for the Shares issued by the Company under its retail offering pursuant to its initial public offering, as determined in the manner described in the Company's prospectus for the said initial public offering.

The Exercise Price as determined in the manner set out above shall be conclusive and binding on the Grantee.

10. EXERCISE OF OPTIONS

10.1 Subject to **By-Law 10.6** and the terms and conditions of an Offer as mentioned in **By-Law 5.9**, the Options under the Offer can be exercised by the Grantee by written notice in the prescribed form to the Company during the Exercise Period in respect of all or any part of the FFB Shares comprised in the Options under the Offer, such part being in multiples of one hundred (100) FFB Shares. In the event that the balance of FFB Shares comprised in the Options of any Grantee is less than one hundred (100) FFB Shares, the said balance of the Options shall if exercised, be exercised in a single tranche.

10.2 Except where it is decided otherwise and announced by the ESOS Committee, an Option is exercisable by the Grantee only on a Market Day during the Option Period and while the Grantee remains an Eligible Person.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

10.3 Trust

- (i) The Company intends to establish a Trust to be administered by the Trustee for purposes of implementing the ESOS. The appointed Trustee shall administer the Trust in accordance with the Trust Deed, and shall in particular, be responsible for the administration of the ESOS.
- (ii) The Trustee shall open and maintain a Trust Account into which the Company and/or its Subsidiaries shall inject monies for the purposes of the ESOS, in particular to enable the Trustee to use the same to subscribe for FFB shares and to pay for expenses in relation to the administration of the Trust in accordance with these By-Laws.
- (iii) Upon the Trustee receiving a written instruction from the ESOS Committee that a Grantee has elected to exercise his ESOS Option(s) pursuant to **By-Law 10.1**, the Trustee shall utilise the monies in the Trust Account to subscribe for such number of new FFB Shares in respect of which the written instruction is given. The Grantee would not be required to make any payment in respect of the ESOS Option(s) exercised as the funding of the Exercise Price is provided by the Company (via the Trustee) to the Trust.
- (iv) The Company shall allot and issue the said FFB Shares which will be placed into a CDS Account of the Trustee or its authorised nominee.
- (v) Subject to there being sufficient monies in the Trust Account, the Trustee or its authorised nominee shall be irrevocably authorised and instructed to assist with the sale and transfer of such number of FFB Shares in respect of which the instruction is given, and the proceeds from the sale of the FFB Shares shall be credited into the Trust Account.
- (vi) The net gains from the sale of the said FFB Shares after deducting the exercise cost i.e. Exercise Price x number of FFB Shares (in respect of which the written instruction is given) and the related transaction costs, will be released to such Grantee. The balance of the proceeds, if any, will remain in the Trust Account and may be used by the Trustee towards subsequent subscription of shares and administration expenses. For purposes of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and condition or delegate part of its power relating to the administration of the Trust as the ESOS Committee may in its discretion direct for the implementation and administration of the Trust.
- (vii) The Board shall have power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.

10.4 The ESOS Committee shall ensure that there is sufficient monies in the Trust Account at all times to cater for the exercise of Options by the Grantees in accordance with these By-Laws.

10.5 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or are found to have had no basis or justification), the ESOS Committee shall have the right to suspend the Grantee's Options pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate at its sole and absolute discretion having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT:

- (i) in the event that such Grantee shall subsequently be found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the rights of such Grantee to exercise his Options;

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

- (ii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
- (iii) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its sole and absolute discretion whether or not the Grantee may continue to exercise his Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
- (iv) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Exercise Period, the Options of such Grantee shall immediately lapse on the expiry of the Exercise Period without notice,

and nothing herein shall impose any obligation of the ESOS Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding(s) and the ESOS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESOS Committee's exercise of or failure to exercise any of its rights under these By-Laws.

- 10.6 All Options to the extent unexercised on the expiry of the Exercise Period applicable thereto shall lapse.
- 10.7 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company, the ESOS Committee and/or the Trustee in the notice to exercise shall result in the notice to exercise being rejected at the discretion of the ESOS Committee. The ESOS Committee shall inform the Grantee of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the Grantee shall not have deemed to have exercised his/her Options.
- 10.8 The Company, the Board, the ESOS Committee and the Trustee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise the Options or for any errors in any Offers.
- 10.9 Every Option shall be subjected to the condition that no new FFB Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

11. RIGHTS ATTACHING TO THE NEW FFB SHARES

The new FFB Shares to be issued and allotted pursuant to the exercise of the Options in accordance with **By-Law 10** shall, upon issuance and allotment rank *pari passu* in all respects with the then existing FFB Shares, and be entitled to all rights (including voting, dividend, allotment, distribution, transfer, and other rights, including those arising on a liquidation of the Company), attaching to the then existing FFB Shares, save and except that the new FFB Shares so issued and allotted will not be entitled to any dividends, rights, allotments or other forms of distribution which may be declared, made or paid, for which the Entitlement Date is prior to the date of allotment of such new FFB Shares.

Fractional entitlements (if any) will be disregarded and shall be dealt with in such manner as the Board shall in its sole and absolute discretion think expedient in the interest of the Company.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

The new FFB Shares will be subject to all provisions of the Constitution of the Company as may thereafter be amended from time to time.

12. NON-TRANSFERABILITY

- 12.1 An Option is personal to the Grantee and subject to the provisions of **By-Laws 13.1, 13.2, 13.3** and **13.5** hereof, it is exercisable only by the Grantee personally during his lifetime whilst he is in the employment in any company in the FFB Group.
- 12.2 An Option so granted shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under **By-Law 13.5** hereof. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

13. TERMINATION OF THE OPTION

- 13.1 In the event a Grantee ceases to be in the employment of FFB Group for whatever reason prior to the full exercise of the Options, subject to **By-Law 13.5**, such Options or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT the ESOS Committee may, at its sole and absolute discretion, by notice in writing, permit such Options to remain exercisable during the Exercise Period if such cessation occurs by reason of:
- (i) retirement on or after attaining the normal retirement age; or
 - (ii) retirement before attaining the normal retirement age but with the consent of the relevant employer company within the FFB Group; or
 - (iii) transfer to any company outside the FFB Group at the direction of the Company subject to the approval and/or ratification by the Board; or
 - (iv) retrenchment; or
 - (v) ill-health, injury, physical or mental disability; or
 - (vi) any separation scheme implemented by the Company, provided that the affected Grantee shall exercise the Options prior to expiry of three (3) months from the date of the separation scheme; or
 - (vii) any Director not being re-appointed during a general meeting of the Company, that Director shall exercise the Options prior to expiry of three (3) months from the date he/she ceased to be a Director; or
 - (viii) any other circumstances which are acceptable to the ESOS Committee subject to the approval and/or ratification by the Board.

Upon the termination of Options pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the ESOS which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Options or his/her Options ceasing to be valid.

- 13.2 Notwithstanding anything contained in these By-Laws, unless otherwise agreed in writing by the ESOS Committee at its sole and absolute discretion, upon the resignation/cessation of the Grantee from his employment or directorship with the Group (as the case may be), an Option shall lapse forthwith on the date the Grantee tenders his resignation. Any Option which lapses upon the resignation/cessation of the Grantee from his employment or directorship with the Group (as the case may be), shall become available to be offered to other Eligible Persons, at the discretion of the ESOS Committee.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

- 13.3 An Option shall immediately become void and of no further force and effect upon the Grantee being adjudicated a bankrupt.
- 13.4 In the event of the liquidation of the Company, all unvested or unexercised Options shall lapse and be null and void and/or be deemed to be cancelled and/or cease to be capable of vesting or being exercised without any liability to or right to claim against the Company, the Board and the ESOS Committee.
- 13.5 In relation to unvested Options:
- (i) in the event a Grantee is deemed a Good Leaver, the ESOS Committee may in its sole and absolute discretion permit the prorated vesting of the Option(s) in the Grantee at any time subject to such terms and conditions as may be prescribed by the ESOS Committee; or
 - (ii) in the event a Grantee is deemed a Poor Leaver, then with effect from the date of such termination or cessation of employment or engagement with the Group, any unvested Options in respect of the Poor Leaver shall forthwith lapse and be null and void and/or be deemed to be cancelled and/or cease to be capable of vesting on such Poor Leaver without any liability to or right to claim against the Company, the Board and the ESOS Committee.
- 13.6 Where a Grantee dies before the expiry of the Exercise Period, the whole or any part of the Options held by the Grantee that are unexercised may be exercised by the legal representatives of the Grantee in accordance with the terms and/or conditions as set out by the ESOS Committee PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Exercise Period.

14. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

- 14.1 Subject to **By-Law 14.3**, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of FFB Shares or reduction of capital or any other variation of capital, the Company shall cause such adjustments to be made to:
- (i) the number of Options granted to a Grantee (excluding Options already exercised);
 - (ii) the Exercise Price;
 - (iii) the number of Options and/or Exercise Price comprised in an Offer which is open for acceptance (but has yet to be accepted in accordance with the terms and conditions of the Offer and the ESOS),

for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment (i.e not taking into account Options already exercised) shall remain unaffected.

- 14.2 The following provisions shall apply in relation to an adjustment which is made pursuant to **By-Law 14.1**:
- (i) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and
 - (ii) in determining a Grantee's entitlement to subscribe for new FFB Shares, any fractional entitlements will be disregarded.
- 14.3 **By-Law 14.1** shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

- (i) an issue of new FFB Shares or other securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares in consideration or part consideration for an acquisition of any other securities, assets or business;
 - (ii) a special issue of new FFB Shares approved by the relevant governmental authorities;
 - (iii) a private placement/restricted issue of new FFB Shares by the Company;
 - (iv) an issue of new FFB Shares arising from the exercise of any conversion rights attached to securities convertible to FFB Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;
 - (v) an issue of new FFB Shares upon the exercise of Options pursuant to the ESOS;
 - (vi) an issue of further Options to Eligible Persons under these By-Laws; and
 - (vii) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act. In this event, the following provisions shall apply:
 - (a) if the number of FFB Shares in respect of the Options granted by the Company as at the date of designation of the FFB Shares so purchased as treasury shares or cancellation of such Shares is greater than fifteen percent (15%) of the total number of issued shares of the Company after such designation or cancellation, the ESOS Committee shall not make any further Offers; and
 - (b) if the number of FFB Shares in respect of the Options granted by the Company as at the date of designation of the FFB Shares so purchased as treasury shares or cancellation of such Shares is less than fifteen percent (15%) of the total number of issued shares of the Company after such designation or cancellation, the ESOS Committee may make further Offers only until the total number of Options granted by the Company is equivalent to fifteen percent (15%) of the total number of issued shares of the Company after such designation or cancellation.
- 14.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7 of the Act, **By-Law 14.1** shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which **By-Law 14.1** is applicable, but **By-Law 14.1** shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which **By-Law 14.1** is not applicable as described in **By-Law 14.3**.
- 14.5 In the event the Court sanctions a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme for reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 366 of the Act any Options should remain exercisable by the Grantee at any time and from time to time in the period commencing with the date upon which the compromise or arrangement is sanctioned by the Court and ending with the date upon which it becomes effective or within the Exercise Period, whichever expires first. Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void.
- 14.6 An adjustment pursuant to **By-Law 14.1** shall be made according to the following terms:
- (i) in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the Entitlement Date in respect of such issue; or
 - (ii) in the case of a consolidation or subdivision of FFB Shares or reduction of capital, on the Market Day immediately following the date such consolidation, subdivision or reduction shall become effective.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

Upon any adjustment being made, the ESOS Committee shall within thirty (30) days from the adjustment date give notice in writing to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

All adjustments other than a bonus issue must be confirmed in writing by an Auditor or such other persons as allowed by Bursa Securities (who shall act as an expert and not as an arbitrator), to be in his/her opinion fair and reasonable.

- 14.7 All adjustments made pursuant to **By-Law 14** shall be final, binding and conclusive.
- 14.8 The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in **By-Law 14.9**.
- 14.9 In addition to **By-Law 14.1** and not in derogation thereof, the Exercise Price and the number of Options so far unexercised shall from time to time be adjusted, calculated or determined by the ESOS Committee and certified by an approved company auditor of the Company or such other persons as allowed by Bursa Securities in accordance with the following relevant provisions in consultation with the Adviser and/or the external auditor:

- (i) If and whenever a consolidation or subdivision or conversion of FFB Share occurs, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determine in accordance with the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{A}{B} \right)$$

$$\text{Number of additional Options} = T \times \left(\frac{B}{A} \right) - T$$

Where:

S = existing Exercise Price;

A = the aggregate number of issued FFB Shares immediately before such consolidation, subdivision or conversion;

B = the aggregate number of new FFB Shares in the share capital of FFB after such consolidation, subdivision or conversion; and

T = existing number of Options held that remains unexercised.

Each such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the FFB Shares are traded on Bursa Securities), or such period as may be prescribed by Bursa Securities.

- (ii) If and whenever the Company shall make any issue of FFB Shares to ordinary shareholders by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Exercise Price shall be adjusted in the following manner:

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

$$\text{New Exercise Price} = S \times \left(\frac{A}{A + B} \right)$$

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left(\frac{A + B}{A} \right) - T$$

Where:

A = the aggregate number of issued FFB Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of new FFB Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund);

S = as S in **By-Law 14.9(i)**; and

T = as T in **By-Law 14.9(i)**.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(iii) If and whenever the Company shall make:

- (a) a Capital Distribution (as defined below) to its ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (b) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for FFB Shares by way of rights; or
- (c) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into FFB Shares or securities with rights to acquire or subscribe for FFB Shares,

then and in respect of each such case, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{C - D}{C} \right)$$

and in respect of the case referred to in **By-Law 14.9(iii)(b)** and **(iii)(c)**, the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

ANNEXURE D: BY-LAWS FOR THE ESOS *(Cont'd)*

Where:

S = as S in **By-Law 14.9(i)**;

T = as T in **By-Law 14.9(i)**;

C = the prevailing market price of each Share at the close of business on the Market Day immediately preceding the date of the Capital Distribution, or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (A) in the case of an offer or invitation to acquire or subscribe for FFB Shares by way of rights under **By-Law 14.9(iii)(b)** or for securities convertible into FFB Shares or securities with rights to acquire or subscribe for FFB Shares under **By-Law 14.9(iii)(c)**, the value of rights attributable to one (1) FFB Share (as defined below); or

(B) in the case of any other transaction falling within **By-Law 14.9(iii)**, the fair market value, as determined by an auditor of the Company, of that portion of the Capital Distribution attributable to one (1) FFB Share.

For the purpose of definition (A) of D above, the "value of the rights attributable to one (1) FFB Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as C in **By-Law 14.9(iii)**;

E = the subscription price for one (1) additional FFB Share under the terms of such offer or invitation or subscription price for one (1) additional FFB Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) FFB Share under the offer or invitation;

F = the number of FFB Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional FFB Share or security convertible into rights to acquire or subscribe for one (1) additional FFB Share; and

D* = the value of rights attributable to one (1) FFB Share (as defined below).

For the purposes of definition D* above, the "value of rights attributable to one (1) FFB Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = as C in **By-Law 14.9(iii)**;

E* = the subscription price for one (1) additional FFB Share under the terms of such offer or invitation to acquire or subscribe for FFB Shares; and

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

F* = the number of FFB Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional FFB Share.

For the purposes of **By-Law 14.9(iii)**, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of FFB Shares (not falling under **By-Law 14.9(ii)**) or other securities issued by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of FFB as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (iv) If and whenever the Company makes an allotment to its ordinary shareholders as provided in **By-Law 14.9(ii)** and also makes an offer or invitation to its ordinary shareholders as provided in **By-Law 14.9(iii)(b)** or **(c)** hereof and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I)}{(G + H + B) \times C} \right)$$

and in respect of the case referred to in **By-Law 14.9(iii)(b)** and **(iii)(c)**, the number of additional Options to be issued shall be calculated as follows:

and where the Company makes an allotment to its ordinary shareholders as provided in **By-Law 14.9(ii)** and also makes an offer or invitation to its ordinary shareholders as provided in **By-Law 14.9(iii)(b)** and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

B = as B in **By-Law 14.9(ii)**;

C = as C in **By-Law 14.9(iii)**;

G = the aggregate number of issued FFB Shares on the Entitlement Date;

H = the aggregate number of new FFB Shares under an offer or invitation to acquire or subscribe for FFB Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into FFB Shares or rights to acquire or subscribe for securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares, as the case may be;

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

H* = the aggregate number of new FFB Shares under an offer or invitation to acquire or subscribe for FFB Shares by way of rights;

I = the subscription price of one (1) additional FFB Share under an offer or invitation to acquire or subscribe for FFB Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional FFB Share, as the case may be;

I* = the subscription price of one (1) additional FFB Share under the offer or invitation to acquire or subscribe for FFB Shares;

S = as S in **By-Law 14.9(i)**; and

T = as T in **By-Law 14.9(i)**.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (v) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for FFB Shares as provided in **By-Law 14.9(iii)(b)** together with an offer or invitation to acquire or subscribe for securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares as provided in **By-Law 14.9(iii)(c)**, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C} \right]$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Where:

C = as C in **By-Law 14.9(iii)**;

G = as G in **By-Law 14.9(iv)**;

H = as H in **By-Law 14.9(iv)**;

H* = as H* in **By-Law 14.9(iv)**;

I = as I in **By-Law 14.9(iv)**;

I* = as I* in **By-Law 14.9(iv)**;

J = the aggregate number of FFB Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for FFB Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional FFB Share;

S = as S in **By-Law 14.9(i)**; and

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

T = as T in **By-Law 14.9(i)**.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (vi) If and whenever the Company makes an allotment to its ordinary shareholders as provided in **By-Law 14.9(ii)** and also makes an offer or invitation to acquire or subscribe for FFB Shares to its ordinary shareholders as provided in **By-Law 14.9(iii)(b)**, together with rights to acquire or subscribe for securities convertible into FFB Shares or with rights to acquire or subscribe for FFB Shares as provided in **By-Law 14.9(iii)(c)**, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left(\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C} \right)$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

C = as C in **By-Law 14.9(iii)**;

G = as G in **By-Law 14.9(iv)**;

H = as H in **By-Law 14.9(iv)**;

H* = as H* in **By-Law 14.9(iv)**;

I = as I in **By-Law 14.9(iv)**;

I* = as I* in **By-Law 14.9(iv)**;

J = as J in **By-Law 14.9(v)**;

K = as K in **By-Law 14.9(v)**;

S = as S in **By-Law 14.9(i)**; and

T = as T in **By-Law 14.9(i)**.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

- (vii) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of FFB and requiring an adjustment under **By-Laws 14.9(iii)(b)**, **(iii)(c)**, **(iv)**, **(v)** or **(vi)**), the Company shall issue either any FFB Shares or any securities convertible into FFB Shares or any rights to acquire or subscribe for FFB Shares, and in any such case, the Total Effective Consideration per FFB Share (as defined below) is less than ninety per cent (90%) of the Average Price for one (1) FFB Share (as defined below) or, as the case may be, the price at which the FFB Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted in the following manner:

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

$$\text{New Exercise Price} = S \times \left(\frac{L + M}{L + N} \right)$$

Where:

- L = the number of FFB Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of FFB Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses);
- N = the aggregate number of FFB Shares so issued or, in the case of securities convertible into FFB Shares or rights to acquire or subscribe for FFB Shares, the maximum number (assuming no adjustment of such rights) of FFB Shares issuable upon full conversion of such securities or the exercise in full of such rights; and
- S = as S in **By-Law 14.9(i)**.

For the purposes of **By-Law 14.9(vii)**, the "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor of the Company and shall be:

- (a) in the case of the issue of FFB Shares, the aggregate consideration receivable by the Company on payment in full for such FFB Shares; or
- (b) in the case of the issue by the Company of securities wholly or partly convertible into FFB Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (c) in the case of the issue by the Company of securities with rights to acquire or subscribe for FFB Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per FFB Share" shall be the Total Effective Consideration divided by the number of FFB Shares issued as aforesaid or, in the case of securities convertible into FFB Shares or securities with rights to acquire or subscribe for FFB Shares, by the maximum number of FFB Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purposes of **By-Law 14.9(vii)**, the Average Price of a FFB Share shall be the average price of one (1) FFB Share as derived from the last dealt prices for one (1) or more board lots of FFB Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such FFB Shares is determined.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determines the offering price of such FFB Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

For the purposes of **By-Law 14.9(iii), (iv), (v) and (vi)** the current market price in relation to one (1) existing FFB Share for any relevant day shall be the VWAMP for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

- (viii) The foregoing provisions on adjustment of the Exercise Price shall be subject to the following:
- (a) On any such adjustment the resultant Exercise Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment involve an increase in the Exercise Price or reduce the number of Options so far as unexercised to which the Grantee is already entitled to;
 - (b) No adjustment shall be made to the Exercise Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of "would be less than one (1) sen" or the number of Options so far as unexercised is less than one (1) Option and any adjustment that would otherwise be required then to be made will not be carried forward;
 - (c) If an event giving rise to any such adjustment shall be capable of falling within any two (2) or more of paragraphs (i) to (ii) of **By-Law 14.1** (both inclusive) or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as the Directors of the Company and the external auditor of the Company may agree;
 - (d) If for any reason an event giving rise to an adjustment to the Exercise Price and/or the number of Options so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Directors of the Company and the external auditor of the Company may agree;
 - (e) In any circumstances where the Board considers that adjustments to the Exercise Price and/or the number of Options so far as unexercised as provided for hereunder should be made or should not be made or should be calculated on a different basis or different date, the Company may appoint the external auditors of the Company or Adviser to consider whether for any reasons whatsoever (to the extent permissible by the Listing Requirements or any other relevant regulations) the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such external auditor or Adviser shall consider the adjustment calculation or determination to be inappropriate, the adjustment shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such external auditors or Adviser to be appropriate;
 - (f) If the Board and the external auditors of the Company or Adviser are unable to agree upon any adjustment required under these provisions, the Board shall refer the adjustment to the decision of another external auditor or Adviser; and

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

- (g) In making adjustments hereunder, the other external auditor or Adviser (as the case may be) shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decisions shall be conclusive and binding on all person having an interest in the Options.

15. LISTING OF AND QUOTATION FOR NEW SHARES

Subject to the provisions of **By-Law 3.1**, if at the time of allotment of the new FFB Shares pursuant to the exercise of the Options, the then existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities within eight (8) Market Days after the receipt of the notice of exercise and remittance from the Grantee or such other period as may be prescribed by Bursa Securities, for approval for the listing of and/or quotation for such new FFB Shares as required, unless a blanket approval for the listing of and/or quotation for the new FFB Shares arising from the ESOS has been obtained.

16. RETENTION PERIOD

The new FFB Shares once allotted and issued to Grantees is not subject to any retention period and may be dealt with or disposed by such Grantees.

17. ADMINISTRATION

- 17.1 This ESOS shall be administered by the ESOS Committee comprising such number of Directors and/or Senior Management personnel as shall be appointed by the Board from time to time. The ESOS Committee shall, subject to these By-Laws administer the ESOS and regulate the ESOS Committee's own proceedings in such manner as it shall think fit.
- 17.2 Without limiting the generality of **By-Law 17.1**, the ESOS Committee may, for the purpose of administering the ESOS, do all acts and things, rectify any errors in its Offers, recommend to the Board to establish, amend and revoke rules and regulations relating to the ESOS and its administration, execute all documents and delegate any of its powers and duties relating to the ESOS as it may in its discretion consider to be necessary or desirable for giving effect to the ESOS.
- 17.3 The Board shall have power at any time and from time to time to rescind the appointment of any person in the ESOS Committee as it shall deem fit and may appoint replacement members to the ESOS Committee.
- 17.4 The Board shall have the power to determine all matters pertaining to the ESOS Committee, including without limitation setting the terms of reference for the ESOS Committee, composition, duties, powers and limitations. The Board is entitled at any time and from time to time to change the terms of reference of the ESOS Committee.

18. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

- 18.1 Subject to the compliance with the Listing Requirements and any laws and/or regulations of other relevant authorities, the ESOS Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add, amend or delete all or any of these By-Laws upon such recommendation PROVIDED ALWAYS THAT no additions or amendments to or deletions of these By-Laws shall be made which will:
- (i) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee; or
 - (ii) increase the number of FFB Shares available under the ESOS beyond the maximum imposed by **By-Law 4.2**; or

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

(iii) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in these By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

18.2 Any amendments/modifications to these By-Laws shall not contravene any of the provisions of the guidelines on employees' share option schemes as stipulated under the Listing Requirements and/or by any other relevant regulatory authority in relation to ESOS.

18.3 Upon amending and/or modifying all or any of the provisions of the ESOS, the Company shall within five (5) Market Days, submit a confirmation letter to Bursa Securities for the amendments made, that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements pursuant to paragraph 2.12 of the Listing Requirements and the Rules of Bursa Depository. In such event, the ESOS Committee shall furnish a written notification to all Grantees and the Company shall make all necessary announcements to Bursa Securities in respect of such amendments and/or modifications.

19. DISPUTES

In the event of any dispute or difference arising between the ESOS Committee and an Eligible Person or a Grantee, as to any matter or thing of any nature arising hereunder, the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the Grantee, as the case may be PROVIDED ALWAYS THAT where the dispute or difference is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. The said decision shall be final and binding on the parties unless the Eligible Person or the Grantee, as the case may be, shall dispute the same by written notice to the ESOS Committee within fourteen (14) calendar days of the receipt of the written decision, in which case such dispute or difference shall be referred to the decision of the Board, whose decision shall be final and binding in all respects.

20. SCHEME NOT A TERM OF EMPLOYMENT

The ESOS shall not form part of or constitute or in any way be construed as a term or condition of employment of any employee. The ESOS shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the FFB Group under which the Eligible Person is employed or any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment.

21. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the administration and management of the ESOS including but not limited to the fees, costs and expenses relating to the Trust and the allotment and issuance of new FFB Shares pursuant to the exercise of the Options shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs (including any taxes and stamp duty) and expenses incurred in relation to his/ her acceptance and exercise of the Options (including all brokerage fees, commission and such other incidental costs arising from the sale of the shares).

22. CONSTITUTION

Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times.

23. INSPECTION OF AUDITED FINANCIAL STATEMENTS

All Grantees are entitled to inspect the latest audited financial statements of the Company during the normal business hours on any working day at the registered office of the Company.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)**24. TRANSFER FROM OTHER COMPANIES TO THE FFB GROUP**

In the event that:

- (a) an executive director or employee who was employed in a company related to but not within the FFB Group and is subsequently transferred from such company to any company within the FFB Group; or
- (b) an executive director or employee who was in the employment of a company which subsequently becomes a company within the FFB Group as a result of a restructuring exercise or otherwise involving FFB and/or any company within the FFB Group;

(the first mentioned company in (a) and (b) above are hereinafter referred to as the "**Previous Company**"), such an executive director or employee of the Previous Company (the "**Affected Director/Employee**"), subject to **By-Law 6**, will:

- (i) be entitled to continue to exercise all such unexercised Option(s) which were granted to him under the Previous Company's employees' share option scheme ("**Previous Company's ESOS**") in accordance with the by-laws of the Previous Company's ESOS but he shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company's ESOS; and/or
- (ii) be eligible to participate in the ESOS only for the remaining duration of the ESOS, subject to the ESOS Committee's approval; and/or
- (iii) if the Affected Director/Employee had participated in the Previous Company's ESOS, the number of new FFB Shares to be offered to such Affected Director/Employee under the ESOS shall be subject to the sole and absolute discretion of the ESOS Committee.

25. DIVESTMENT FROM THE FFB GROUP

If a Grantee who was in the employment of a company in the FFB Group, which was subsequently divested wholly, or in part, from the FFB Group, resulting in such company no longer be a subsidiary of FFB pursuant to Section 4 of the Act, then such Grantee:

- (i) notwithstanding such divestment and subject to the provisions of **By-Laws 10** and **13.2**, will be entitled to continue to exercise all such unexercised Options which were granted to him under the ESOS within a period of three (3) months from the date of completion of such divestment or within the Exercise Period, whichever ends earlier, failing which the right of such Grantee to subscribe for that number of the new FFB Shares or any part thereof granted under such unexercised Options shall automatically lapse and be null and void and of no further force and effect; and
- (ii) shall not be eligible to participate for further Options under the ESOS.

For the avoidance of doubt, where the Grantee was in the employment of a company in the FFB Group and that company was subsequently partially divested but remained as a subsidiary of FFB pursuant to Section 4 of the Act, then such Grantee shall continue to be entitled to all his/her rights in relation to the unexercised Options and he/she shall be eligible for further participation of the Options under the ESOS.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)**26. TAKE-OVER AND MERGERS**

Notwithstanding **By-Law 10** and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

- (i) a take-over offer being made for the Company, under the Rules on Take-overs, Mergers and Compulsory Acquisitions, to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror), any unexercised Options shall remain in force and be exercisable until the expiry of the Exercise Period applicable thereto; and
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new FFB Shares under the provisions of the Capital Markets and Services Act, 2007 (or other legislation applicable at the point of time), and gives notice to the Company and Grantee that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise any unexercised Options from the date of service of the said notice until and inclusive of the date on which the right of compulsory acquisition is exercised PROVIDED ALWAYS THAT any Options to the extent unexercised after the date on which the right of compulsory acquisition is exercised shall lapse and immediately cease to have any effect.

27. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEMES

- 27.1 Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees' share option scheme after the Date of Expiry if the ESOS is not renewed or after termination of the ESOS pursuant to **By-Law 3.6**. Where the ESOS has been renewed (in accordance with **By-Law 3.3**), a new employees' share option scheme may be established upon expiry of the renewed ESOS, if any.
- 28.2 The Company may establish more than one (1) employees' share option scheme during the duration of the ESOS as provided in **By-Law 3.3** provided always that the aggregate number of Shares available under all the employees' share option schemes does not exceed fifteen percent (15%), or any other percentage as may be allowed by Bursa Securities, of the total number of issued shares of the Company (excluding treasury shares) at any point in time.

28. NO COMPENSATION

- 28.1 A Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the ESOS which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.
- 28.2 No Eligible Person or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company or the Board, the ESOS Committee, the Trustee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of these By-Laws, as may be amended from time to time in accordance with **By-Law 18** or termination of the ESOS in accordance with **By-Law 3**.

29. TAXES

All taxes (including income tax), if any, arising from the exercise of any Option under the ESOS shall be borne by the Grantee.

ANNEXURE D: BY-LAWS FOR THE ESOS (Cont'd)

30. WINDING UP

In the event of a members' voluntary winding-up and a resolution is passed for the winding-up or liquidation of the Company, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the members' resolution for such winding-up or liquidation of the Company.

In the event a petition is presented in Court for the winding-up or liquidation of the Company, all rights to exercise the Options shall automatically be suspended from the date of the presentation of the petition. If a court order winding-up the Company pursuant to the petition for winding-up is made, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the court order. Conversely, if the petition for winding-up is dismissed by the Court, the right to exercise the Options shall accordingly be unsuspending.

31. RIGHTS OF A GRANTEE

The Options shall not carry any rights to vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his unexercised Options.

32. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

33. GOVERNING LAW AND JURISDICTION

33.1 The ESOS shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Options in accordance with these By-Laws and terms of the ESOS, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

33.2 In order to facilitate the making of any Offer under the ESOS, the Board may provide for such special terms to the Eligible Person(s) who are employed by any corporation in the Group in a particular jurisdiction as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the ESOS as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the ESOS as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the ESOS. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of the ESOS, as then in effect, unless the ESOS has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person(s) pursuant to the ESOS shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESOS Committee in the Offer.

34. NOTICE

34.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the ESOS shall be in writing and shall be deemed to be sufficiently given:

- (i) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting; or

ANNEXURE D: BY-LAWS FOR THE ESOS *(Cont'd)*

- (ii) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or
- (iii) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the ESOS Committee.

- 34.2 Any notification or other notice required to be given to the Company or the ESOS Committee shall be properly given if sent by registered post or delivered by hand to the Company at its business address or any other address which may be notified in writing by the ESOS Committee from time to time or in any other manner as may be specified by the ESOS Committee in writing from time to time.

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ANNEXURE E: COMMERCIAL CONTRACTS WHICH OUR GROUP IS MATERIALLY DEPENDENT ON

(I) Commercial Agreement dated 5 November 2014 entered into amongst Farm Fresh, FFMSB and East Coast Economic Region Development Council (“ECERDC”) (“Commercial Agreement”)

Background

The Commercial Agreement was entered into for Farm Fresh and FFMSB to jointly commercially invest in, operate and manage the Muadzam Shah Cattle Research and Innovation Centre (“**MSCRIC**”).

Term

The Commercial Agreement took effect on 9 December 2014, being the date all conditions precedent were satisfied and will continue in effect for 30 years unless terminated earlier in accordance with the terms therein and subject to Farm Fresh and FFMSB’s performance review. Any request for extension of the term by either party must be made in writing 6 months’ prior to the expiry of the Commercial Agreement and any extension shall be on terms and conditions to be agreed by the parties.

Farm Fresh and FFMSB’s obligations

Farm Fresh and FFMSB’s obligations under the Commercial Agreement, are, amongst others, the following:

- (i) Farm Fresh and FFMSB have entered into a tenancy agreement with the Malaysian Agriculture Research and Development Institute (“**MARDI**”) on 8 June 2015 in respect of the piece of land on which the MSCRIC is built on.
- (ii) to establish and implement standard operating procedures (“**SOPs**”), policies and procedures for:
 - (a) product quality, food safety and traceability requirements;
 - (b) health, safety and environment; and
 - (c) disposal and/or treatment of waste,
 in accordance with best industry standards;
- (iii) to maintain proper records showing Farm Fresh and FFMSB’s personnel, sub-contractors and agents having adhered to the SOPs;
- (iv) to comply with all laws and regulations applicable to their operations and activities including those on health, safety, security and the environment;
- (v) to procure, build, develop, operate, manage and maintain all infrastructures and utilities requirements to be constructed, completed, operated and maintained by Farm Fresh and FFMSB at the MSCRIC, at its own cost (“**Facilities**”);
- (vi) to hold the buildings, infrastructure and utilities which have been constructed and developed by ECERDC and leased from MARDI (“**Infrastructure**”) on trust for ECERDC and to maintain the Infrastructure in good working order and condition,
- (vii) to ensure the general upkeep and cleanliness of the MSCRIC;
- (viii) notify ECERDC of any change in FFMSB’s names, equity and/or shareholding structure;

ANNEXURE E: COMMERCIAL CONTRACTS WHICH OUR GROUP IS MATERIALLY DEPENDENT ON (Cont'd)

- (ix) to ensure that any foreign shareholding (whether direct or indirectly) in Farm Fresh and FFMSB will not exceed 49% at any time throughout the duration of the Commercial Agreement;
- (x) to appoint a selected group of farmers ("**Satellite Farmers**") for the management and supply of milk and other dairy products by such Satellite Farmers ("**Satellite Farmers' Products**") and to purchase all of the Satellite Farmers' Products;
- (xi) to supervise, manage the overall performance of the Satellite Farmers and provide training to the Satellite Farmers and other participants as approved by a joint technical committee (comprising members appointed by ECERDC, Farm Fresh and FFMSB) at least three (3) times per year; and
- (xii) to conduct research and development activities (with MARDI, if required) and provided that Farm Fresh and FFMSB's operations are not interfered with, to allow other government agencies and institutions to use the Facilities for research activities.

Step-in rights

If Farm Fresh and FFMSB fails to carry out any part of their respective obligations, under the Commercial Agreement, ECERDC or MARDI has the right to assume that obligation ("**Step-in Rights**"). If ECERDC or MARDI decides to exercise its Step-in Rights, Farm Fresh and FFMSB shall pay all costs and expenses incurred by ECERDC or MARDI.

Indemnities

Farm Fresh and FFMSB shall indemnify ECERDC, its personnel, employees, servants or agents against loss of or damage to property or bodily injury sustained by reason of any wilful default, act of neglect and/or omission of Farm Fresh and FFMSB, its personnel, employees, servants or agents that arise from the performance of their duties under the Commercial Agreement.

Termination

If Farm Fresh and FFMSB is:

- (i) convicted by a court of law for corruption or unlawful activities in relation to the Commercial Agreement; or
- (ii) found to be in breach of the terms of the Commercial Agreement not capable of being remedied; or
- (iii) if capable of being remedied, but is not remedied within 14 days of Farm Fresh and FFMSB receiving written notice of such breach,

then, Farm Fresh and FFMSB shall pay to ECERDC all compensation, damages, costs and expenses incurred by ECERDC arising from a termination of the Commercial Agreement.

Upon termination of the Commercial Agreement or if the Commercial Agreement expires and is not renewed, the Facilities and the Infrastructure (except for those movable items belonging to Farm Fresh and FFMSB) shall be transferred to MARDI or any other entity as ECERDC may direct at no cost and all rights in the MSCRIC shall revert to ECERDC and MARDI, in accordance with the terms of the Commercial Agreement.

ANNEXURE E: COMMERCIAL CONTRACTS WHICH OUR GROUP IS MATERIALLY DEPENDENT ON (Cont'd)**(II) Packaging Material Supply Agreement dated 7 April 2021 entered into between Farm Fresh and Tetra Pak (Malaysia) Sdn Bhd ("Tetra Pak") ("Supply Agreement")**Background

The Supply Agreement was entered into for the supply of carton packaging materials and other materials such as straws, openings, closures and strips (collectively the "**Packaging Materials**") by Tetra Pak to Farm Fresh. The specific pricing, discounts, rebates and payment terms for the Packaging Materials are set out in an exhibit to the Supply Agreement ("**Exhibit**") and such Exhibit will be adjusted annually by Tetra Pak and provided to Farm Fresh before each renewal of the Supply Agreement.

Term

The Supply Agreement took effect on 1 January 2021 and is automatically renewed annually for further terms of one calendar year each, unless terminated by either party before the last day of the then-current calendar year.

Indemnities

Farm Fresh shall indemnify and hold Tetra Pak harmless against any third party claim relating to the supply of the Packaging Materials, unless and to the extent such liability is attributable to the Packaging Materials which are defective or otherwise attributable to Tetra Pak in accordance with the terms and conditions of the Supply Agreement. Farm Fresh shall also indemnify and hold harmless Tetra Pak, its subsidiaries and sub-suppliers against all actions, claims, liabilities, costs, expenses or damages which may be caused by or result from the printing or use of the designs, trade names, trademarks (other than Tetra Pak's trademarks), colours, patterns or wording printed on the Packaging Materials ordered by Farm Fresh.

Limitation of Liabilities

Tetra Pak will not be liable:

- (i) for any indirect losses, including loss of profit, loss of revenue, production or operating losses, lost sales or contracts, contractual damages or penalties to third parties, loss of opportunity, loss of savings, loss of goodwill, or losses relating to marketing activities, which arise under the Supply Agreement. Such limitation shall apply even if Tetra Pak has knowledge of the possibility of any such damages and whether contractual or non-contractual; and
- (ii) for any damage or loss suffered by Farm Fresh due to Tetra Pak's breach of the Supply Agreement, in tort or otherwise.

However, the above limitations shall not apply where Tetra Pak fails to perform any of its obligations under the Supply Agreement due to its fraudulent actions, wilful misconduct or gross negligence or if such limitations are not permitted or deemed not permitted under applicable laws.

Tetra Pak will also not be liable to the extent a claim or suit brought against Farm Fresh by a third party, is based on or due to the use of the Packaging Materials in connection or combination with equipment or software not supplied by Tetra Pak or agreed between the parties; or on use of the Packaging Materials outside its intended purpose; or information or materials provided by or designed specified by Farm Fresh; or on modifications to the Packaging Materials by Farm Fresh.

ANNEXURE E: COMMERCIAL CONTRACTS WHICH OUR GROUP IS MATERIALLY DEPENDENT ON *(Cont'd)*

To the extent caused by Tetra Pak's negligent acts or omissions in fulfilling its obligations under the Supply Agreement, Tetra Pak will be liable:

- (i) for any mandatory damages payable under local law due to death or personal injury; and
- (ii) for any property damage to Farm Fresh's property or a third party's property up to a maximum amount of EUR1,500,000 (equivalent to RM6,282,000).

Intellectual Property

Ownership of all intellectual property (including trademarks) provided by Tetra Pak shall remain with Tetra Pak.

Tetra Pak has granted Farm Fresh a royalty-free, non-exclusive and non-transferable license to use Tetra Pak's trademarks, whether registered or established through use. Such trademarks shall only be used as instructed by Tetra Pak and printed on food and beverage packages made of Packaging Materials supplied by Tetra Pak.

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ANNEXURE F: GOVERNING LAWS AND REGULATIONS**(I) MALAYSIA****1. National Land Code (“NLC”)**

The NLC governs land matters within Peninsular Malaysia, where our material properties are situated. Pursuant to the NLC, the state authority may alienate land subject to such express conditions and restrictions in interest which shall be determined by the state authority at the time when the land is approved for alienation and every condition or restriction in interest imposed under this section shall be endorsed on or referred to in the document of title to the land.

Under the NLC, tenancies may be granted for terms not exceeding 3 years. There is no registration requirement for tenancies under the NLC but the interest of a tenant under a tenancy exempt from registration can be protected by way of an endorsement on the document of title to the land.

The proprietor of any alienated land may grant leases of the whole or any part thereof. A lease granted under the NLC must be more than 3 years and maximum term for which any lease may be granted shall be:

- (i) 99 years if it relates to the whole of the land; or
- (ii) 30 years if it relates to a part only thereof.

The lease granted is required to be registered with the relevant land registry or land office in order to vest in the lessee the interest in respect of the said land.

2. Occupational Safety and Health Act 1994 (“OSHA”)

The OSHA imposes a general duty on every employer to ensure, so far as is practicable, the safety, health and welfare of its employees at work. Such duty, so far as is practicable, includes:

- (i) providing and maintaining plants and systems of work that are safe and without risks to health;
- (ii) making arrangements to ensure safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (iii) providing information, instruction, training and supervision as is necessary to ensure the safety and health at work of his employees;
- (iv) maintaining any place of work under the control of the employer, in a condition that is safe and without risks to health and providing and maintaining means of access to and egress from it that are safe and without such risks;
- (v) providing and maintaining a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work; and
- (vi) formulating and implementing safety and health policies.

3. Street, Drainage and Building Act 1974 (“SDBA”), Uniform Building By-Laws 1984 (“UBBL”)

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a Certificate of Completion and Compliance (“CCC”) for the occupation of any building or any part thereof.

ANNEXURE F: GOVERNING LAWS AND REGULATIONS (Cont'd)

Under the UBBL which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person, namely, an architect, registered building draughtsman or engineer.

A qualified person must be satisfied that, to their best knowledge:

- (i) the relevant building has been constructed in accordance to UBBL;
- (ii) any conditions imposed by the local authority have been satisfied;
- (iii) all essential services have been provided; and
- (iv) responsibilities have been accepted for the portions that are being concerned with.

Any person who occupies or permits to be occupied any building or any part thereof without a CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

4. Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAA"), Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("EMSHAA Regulations")

The EMSHAA prescribes, amongst others, the minimum standards for accommodations for employees and centralised accommodations and requires employers to provide health, hospital, medical and social amenities.

The EMSHAA imposes the duty and responsibility on employers or centralised accommodation providers to, amongst others, ensure that:

- (i) every accommodation provided for employees complies with the minimum standards required under the EMSHAA and any regulations issued under the EMSHAA;
- (ii) no employee accommodation will be provided to an employee unless such accommodation is certified with a Certificate for Accommodation;
- (iii) the employee accommodation has decent and adequate amenities in accordance with the EMSHAA and any regulations issued under the EMSHAA; and
- (iv) preventive measures are taken to contain the spread of infectious diseases as ordered by the Medical Officer of Health in accordance with the relevant laws and the employer will, at his own expense, make arrangements as ordered by the Medical Officer of Health so that all or any of the employees be given immunisation against any infectious disease.

An employer who provides accommodation that is not certified with the Certificate for Accommodation to an employee commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.

Further, the EMSHAA Regulations imposes, amongst others, the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, the obligation on employers or centralised accommodation providers to ensure the provision of water and electricity supply as well as basic amenities.

ANNEXURE F: GOVERNING LAWS AND REGULATIONS *(Cont'd)***5. Food Act 1983 (“FA”), Food Regulations 1985 (“FR”), Food Hygiene Regulations 2009 (“FHR”)**

The FA and FR are laws governing the food safety and quality control, including standards, hygiene, import and export, advertisement and accreditation of laboratories. The objective is to protect the public from health hazards and fraud in the preparation, sale and use of foods and for other related matters. The legislation, applies to all foods, locally produced or imported which are sold in the country. It covers a broad spectrum from compositional standards to food additives, nutrient supplements, contaminants, packages and containers, food labelling, procedure for taking samples, food irradiation, provision for food not specified in the regulations and penalty.

The FHR governs and control the hygiene and safety of food sold in Malaysia. The objectives are to ensure food premises are hygienic and satisfactory in terms of design and building, ensure food handlers maintain personal hygiene and avoid practices that can contaminate food, and amongst others, to provide for requirement of mandatory food safety assurance programmes in food manufacturing factories. Under the FHR, no person shall use any food premises for the purposes of preparing, packaging, storing, distributing or sale of any food except where the premises is registered under FHR. Any person who fails to comply with the above commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding 2 years.

6. Trade Descriptions Act 2011 (“TDA”)

The TDA is enforced by the Ministry of Domestic Trade and Consumer Affairs and provides protection for traders and consumers from unhealthy trade practices. The act aims to facilitate good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conducts and practices in relation to the supply of goods and services.

Under the TDA, a body corporate who applies a false trade description to any goods shall be on conviction, liable to a fine not exceeding RM250,000, and for a second and subsequent offence, to a fine not exceeding RM500,000.

Under the Trade Descriptions (Definition of Halal) Order 2011 and the Trade Descriptions (Certification and Marking of Halal) Order 2011, which forms part of the TDA, the Department of Islamic Development Malaysia (JAKIM) is authorised to certify any food, goods or services as “Halal”. Halal certificates issued by JAKIM shows that a product is qualified to be consumed by Muslims, which means that the food or goods does not contain any harmful or any part of matter that was forbidden by the Shariah law.

7. Environment Quality Act 1974 (“EQA”), Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015 (“EQ Order”)

The EQA regulates and restricts, among other things, the levels of pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters without a licence, prohibits the discharge of oil into Malaysian waters without a licence, discharge of wastes into Malaysia waters without a licence and prohibits open burning. The agency responsible for implementing and monitoring Malaysian’s environmental regulations and policies is the Department of Environment and the local environmental authority.

The EQ Order requires any person who intends to carry out any prescribed activities to submit a report on the impact of the activities on the environment to the Director of Environmental Quality for examination. The environmental impact assessment ensures that potential environmental problems are foreseen and addressed at the early stage during project planning and design.

ANNEXURE F: GOVERNING LAWS AND REGULATIONS (Cont'd)**8. Industrial Coordination Act 1975 ("ICA")**

The ICA governs the licensing requirement of manufacturing licences in Malaysia. The legislation requires any person engaging in any manufacturing activity in Malaysia with a shareholder's fund of RM2.5 million and above or employing 75 or more full-time paid employees to obtain a manufacturing licence. Failure to observe and adhere to the licensing requirements under the ICA will constitute an offence which is punishable on conviction by a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 per day during which the non-compliance continues.

A manufacturing licence may be revoked if the manufacturer to whom a licence is issued:

- (i) has not complied with any condition imposed in the licence;
- (ii) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or
- (iii) has made a false statement in his application for the licence.

9. Factories and Machinery Act 1967 ("FMA")

The FMA governs the control of factories and operations in relation to safety, health and welfare of persons working in a factory. Under the FMA, occupiers of a factory have a duty of care towards the health, safety and welfare of employees in their factories. The FMA also regulates the registration and inspection of the machines used in a factory. This act is a supplement to the OSHA and is focused on industries such as manufacturing, mining, quarrying and construction.

10. Animal Act 1953 ("AA")

The AA governs the prevention of the spread of diseases from animals and birds into Peninsular Malaysia, the licensing requirements of importation and exportation of animals and birds into or from Peninsular Malaysia, the control of slaughter of animals and birds, and livestock and poultry breeding and improvement.

11. Feed Act 2009 ("FA")

The FA ensures that animal feeds are in good quality and safe by controlling the importation, manufacture, sales and use of the feed. The objectives are to ensure that the feed satisfies the nutritional requirement of animals, not harmful to animals and it not contaminated so that animals and animal products are safe for human consumption. A licence will have to be obtained from the Feed Board established under the FA for the importation of feed or feed additive. Any person who imports any feed or feed additive without a licence shall on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or to both and for a second or subsequent offence, to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 4 years or to both.

The FA also provides that no person shall incorporate any antibiotic, hormone or other chemicals into feed; or introduce any antibiotic, hormone or other chemicals directly or through a medium into animals, unless in accordance with the prescribed manner and at the prescribed level. Any person who contravenes the above commits an offence and shall on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or to both, and for a second or subsequent offence, to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 4 years or to both.

ANNEXURE F: GOVERNING LAWS AND REGULATIONS (Cont'd)**12. Malaysian Quarantine and Inspection Services Act 2011 (“MQISA”)**

The MQISA governs the licensing requirements for imports and exports, establish and manage quarantine stations, and conduct inspection and certification of premises of the exporting country. The objectives are to ensure that the plants, animals, carcass, fish and agricultural produce, soils, microorganisms and food that are imported into and exported out of Malaysia complies with the health aspect of human, animals, plants, fish and food safety.

(II) AUSTRALIA**1. Food Act 1984 (Vic) (“Food Act”)**

The Food Act specifically regulates the sale of food in Victoria, Australia to ensure that food for sale is suitable and safe for human consumption. All Victorian food businesses must comply with this legislation. The legislation outlines the requirements to be able to register a foods business, establishes a food premises classification system and enforcement powers, including any offences and penalties associated with breaching food laws.

Businesses that are subject to the Food Act must not:

- (i) handle food intended for sale in a manner that the person knows will render, or is likely to render, the food unsafe. Where guilty of this offence, liability in the case of an individual is AUD100,000 or imprisonment for 2 years (or both) and for a corporation is AUD500,000;
- (ii) cause food intended for sale to be falsely described if known that a consumer of the food who relies on the description will, or is likely to, suffer physical harm. Where guilty of this offence, liability in the case of an individual is AUD100, 000 or imprisonment for 2 years (or both) and for a corporation is AUD500,000; and
- (iii) sell equipment that, if used for the purposes for which it was designed or intended to be used, would render or be likely to render food unsafe or would put other equipment, or would be likely to put other equipment, in such a condition that, if the other equipment were used for the purposes for which it was designed or intended to be used, it would render, or be likely to render, food unsafe. Where guilty of this offence, liability in the case of an individual is AUD40,000 and for a corporation is AUD200,000.

2. Australia New Zealand Food Standards Code (“Food Standards Code”)

The Food Standards Code sets out the requirements for the labelling, safety, handling, processing and primary production of food in Australia. The Food Standards Code is designed to ensure that food is safe for human consumption and applies to any business or activity that involves the handling of food for sale or the sale of food in Australia. The Food Act legislation ratifies the Food Standards Code as part of Victorian law therefore mandating compliance. Businesses that are subject to the Food Act, must comply with any requirement imposed on the business by a provision of the Food Standards Code in relation to the conduct of a food business or to food intended for sale or food for sale. Where liable for an offence under the Food Standards Code, the penalty in the case of an individual is AUD40,000 and for a corporation is AUD200,000.

ANNEXURE F: GOVERNING LAWS AND REGULATIONS (Cont'd)

Businesses that are subject to the Food Act must ensure compliance with the following key provisions under the Food Standards Code:

- (i) regulations that apply to most foods, e.g. labelling requirements, substances that can be added to food and safety of materials in contact with food, including permissions for new foods, limits for chemical and microbiological contaminants and maximum residue limits of veterinary and chemical residues in foods;
- (ii) compositional requirements for specific foods e.g. meat, fish and alcoholic beverages;
- (iii) safety standards, including requirements for food handlers wherever food is sold, e.g. good food safety practices such as training staff, keeping food at the correct temperature, washing hands and keeping equipment clean; and
- (iv) primary production standards, including processing standards for agricultural commodities such as seafood, poultry meat, specific cheeses, wine and dairy products.

3. Dairy Act 2000 (Vic) (“Dairy Act”)

The Dairy Act specifically regulates the food and dairy standards in the Victorian dairy industry. The Dairy Food Safety Victoria (“DFSA”) is a special statutory body established under this legislation. DFSA is responsible for licensing all dairy premises operating in Victoria's dairy industry and approving and ensuring compliance with food safety programs. A person must not commence a dairy business unless that person holds a current and valid dairy industry licence issued by DFSA. The Dairy Act also recognises the Food Standards Code as set out above.

Businesses that are subject to the Dairy Act must not:

- (i) commence or conduct business as a dairy farmer, dairy manufacturer, dairy food carrier or dairy distributor unless they hold a current and valid dairy industry licence in respect of the business. Where convicted of this offence, a person or business may be liable to fines equal to 120 penalty units under the *Monetary Units Act 2004* (Vic) (“**Monetary Units Act**”) (1 penalty unit is AUD181.74 for the period from 1 July 2021 to 30 June 2022, with the penalty unit rate being indexed each financial year so that it is raised in line with inflation); and
- (ii) sell, deliver or provide for human consumption dairy food anywhere in Victoria (unless to a licensed dairy manufacturing premise), which has not been treated as required under a Code of Practice (i.e. the Food Standards Code) or which has not been packed and sealed as required under a Code of Practice. Where convicted of this offence, a person or business may be liable to fines equal to 400 penalty units under the *Monetary Units Act* ((1 penalty unit is AUD181.74 for the period from 1 July 2021 to 30 June 2022, with the penalty unit rate being indexed each financial year so that it is raised in line with inflation).

4. Livestock Management Act 2000 (Vic) (“LMA”)

The objectives of the LMA are to legislate standards relating to the management of livestock. The legislation recognises existing compliance arrangements demonstrating high livestock management standards and provide a mechanism for establishing co-regulatory arrangements. The LMA encourages the implementation of approved quality assurance programs and or equivalent compliance arrangements with the end goal of improving community understanding of livestock management standards with penalties for non-compliance. In addition, the LMA implements the nationally agreed standards relating to the aspects of livestock management and demonstrating that it has been met.

ANNEXURE F: GOVERNING LAWS AND REGULATIONS *(Cont'd)*

5. Water Act 1989 (Vic) ("Water Act")

The objective of the Water Act is to provide the legal framework for managing Victoria's water resources. The main purpose of the Water Act is to promote the equitable and efficient use of water resources and ensure their conservation and proper management to the benefit of the state of Victoria. In addition, there is an accompanying purpose of increased community involvement and accountability in conserving and managing of water resources in accordance with Victorian standards and values. The Water Act expresses clearly in section 1 its objective of balancing the interests of water use and access in present against the future. The various provisions in Water Act give effect to this intention and therefore become binding on conduct of its business in Victoria as it relates to the use of water.

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