Registration No.
201401022577 (1098663-D)

# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2025

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Registration No.
201401022577 (1098663-D)

# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

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Registration No.
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# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

### DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Lau Chia Nguang
Tan Sri Dato' Lau Eng Guang
Tan Sri Lau Tuang Nguang
Datuk Lau Joo Hong
Lau Joo Han
Lau Joo Keat
Low Han Kee
Chu Nyet Kim
Goh Wen Ling
Tay Tong Poh
Chan Eoi Leng
Lau Joo Yong (Alternate Director to Tan Sri Dato' Lau Eng Guang)

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the Group are the production and distribution of breeder and broiler day-old-chick, broiler chickens, eggs, animal feeds, animal health products, consumer food products, and sales of food and beverage.

There have been no significant changes in the nature of these activities during the financial year.

### FINANCIAL RESULTS

| | Group<br>RM'000 | Company<br>RM'000 |
|---|---|---|
| Net profit for the financial year | 661,926 | 161,187 |
| Profit attributable to: | | |
| Owners of the Company | 501,112 | 161,187 |
| Non-controlling interests | 160,814 | - |
| | 661,926 | 161,187 |

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its number of issued and paid-up share capital from 3,651,701,800 to 3,654,971,100 by way of an issuance of 3,269,300 new ordinary shares from the exercise of options under the Company's Employee Share Option Scheme at an exercise price of RM0.605 per share which amounted to RM1,977,927 (net of transaction costs).

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no debentures issued during the financial year.

## TREASURY SHARES

As at 31 December 2025, the Company held as treasury shares a total of 207,522,000 ordinary shares, repurchased from the open market for RM132,607,000 at an average price of RM0.64 per share. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

## DIVIDENDS

The dividends paid or declared since the end of the previous financial year were as follows:

On 29 May 2025, the Directors have approved a single-tier interim dividend of 1.00 sen per ordinary share, amounting to RM35,988,926 in respect of the financial year ended 31 December 2025 and the dividend was paid to the shareholders on 1 July 2025.

On 8 January 2026, the Directors have approved a single-tier second interim dividend of 1.00 sen per ordinary share amounting to RM34,366,446 in respect of the financial year ended 31 December 2025 and the dividend was paid to the shareholders on 30 January 2026.

## DIRECTORS' REMUNERATION

The aggregate amounts of compensation received or receivable by the Directors of the Company during the financial years are as follows:

| | Group RM'000 | Company RM'000 |
|---|---|---|
| Fees | 2,254 | 780 |
| Salaries, bonuses and other benefits | 56,013 | 435 |
| Defined contribution benefits | 6,476 | 59 |
| ESOS expense (i) | 522 | 522 |
| | 65,265 | 1,796 |

(i) ESOS expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

## ULTIMATE HOLDING COMPANY

The Directors regard Emerging Glory Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

## EMPLOYEE SHARE OPTION SCHEME

The number of Options outstanding at the end of the financial year are as follows:

| | | Number of options over ordinary shares ('000) | | | | |
|---|---|---|---|---|---|---|
| Date of offer | Exercise price | As at 1.1.2025 | Granted and accepted | (Exercised) | (Expired)/ (Lapsed) | As at 31.12.2025 |
| 19 July 2024 | RM0.605 | 42,386 | - | (3,485) | (1,577) | 37,324 |

In conjunction with the listing of the Company on Bursa Malaysia Securities Berhad, ("Listing"), the Company has established the Employee Share Option Scheme ("Previous ESOS"), with effect from 11 April 2019 ("Effective Date"), which involves the granting of ESOS Options ("the Options") to the eligible Directors and employees of the Group ("Grantees") as set out in the By-Laws governing the ESOS. The Previous ESOS expired on 10 April 2024, after five (5) years from the Effective Date.

On 31 May 2024, the shareholders had approved a new ESOS ("ESOS"). The Company had granted new ESOS options under this scheme to the Grantees. The duration of ESOS is for five (5) years effective from 18 July 2024 until 17 July 2029.

The Options are for one option for one new share. The issuance of the Options shall not exceed in aggregate 5.00% of the total number issued shares of the Company (excluding treasury shares, if any) at any one time during the duration of ESOS.

The Options are to be settled only by the issuance and allocation of new ordinary shares of the Company. There are no cash settlement alternatives.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits as disclosed in Directors' remuneration) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for the Options granted to Directors of the Company pursuant to the Company's ESOS.

## DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("CA 2016"), none of the Directors who held office at the end of the financial year held any shares, debentures or options over ordinary shares in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year except as follows:

| | Number of ordinary shares ('000) | | | |
|---|---|---|---|---|
| The Company | At 1.1.2025 | Acquired | (Disposed) | At 31.12.2025 |
| Direct interests: | | | | |
| Tan Sri Dato' Lau Eng Guang | 76,747 | - | - | 76,747 |
| Tan Sri Lau Tuang Nguang | 8,875 | - | - | 8,875 |
| Datuk Lau Joo Hong | 27,670 | - | - | 27,670 |
| Lau Joo Han | 97,099 | - | - | 97,099 |
| Lau Joo Yong | 2,554 | - | - | 2,554 |
| Low Han Kee | 500 | - | - | 500 |
| Chu Nyet Kim | 1,000 | - | - | 1,000 |
| Goh Wen Ling | 1,000 | - | - | 1,000 |
| Tay Tong Poh | 500 | - | - | 500 |
| Indirect interests[(a)]: | | | | |
| Lau Chia Nguang[(a)(1)] | 58,935 | - | - | 58,935 |
| Tan Sri Dato' Lau Eng Guang[(b)] | 26,961 | - | - | 26,961 |
| Tan Sri Lau Tuang Nguang[(a)(2)(b)] | 63,852 | - | - | 63,852 |
| Datuk Lau Joo Hong[(a)(3)] | 1,927,201 | - | - | 1,927,201 |
| Lau Joo Han[(a)(4)] | 1,927,201 | - | - | 1,927,201 |
| Lau Joo Keat[(a)(5)] | 58,633 | - | - | 58,633 |
| Low Han Kee[(b)] | 10 | - | - | 10 |

Notes:

(a) Pursuant to Section 8(4) of the Companies Act 2016, the Directors have deemed interest in the Company by virtue of their shareholdings in:

1. CN Lau Holdings Sdn. Bhd.
2. TN Lau Holdings Sdn. Bhd.
3. Emerging Glory Sdn. Bhd. through CW Lau & Sons Sdn. Bhd.
4. Emerging Glory Sdn. Bhd.
5. HN Lau & Sons Sdn. Bhd.

(b) Pursuant to Section 59(11)(c) of the Companies Act 2016, Tan Sri Dato' Lau Eng Guang is deemed to have interest in the Company by virtue of shareholdings held by his child, Lau Joo Kien Brian. Low Han Kee is deemed to have interest in the Company by virtue of shareholdings held by his spouse, Ooi Sze Lay; and Tan Sri Lau Tuang Nguang is deemed to have interest in the Company by virtue of shareholdings held by his children, Lau Joo Sheng and Lau Wee Fong.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

| | Number of ordinary shares ('000) | | | |
|---|---|---|---|---|
| | At 1.1.2025 | Acquired | (Disposed) | At 31.12.2025 |
| Ultimate holding company, Emerging Glory Sdn. Bhd. | | | | |
| Direct interests: | | | | |
| Lau Chia Nguang | 5,865 | - | - | 5,865 |
| Tan Sri Dato' Lau Eng Guang | 5,865 | - | - | 5,865 |
| Lau Joo Han | 7,821 | - | - | 7,821 |
| Indirect interests: | | | | |
| Tan Sri Lau Tuang Nguang[1] | 5,865 | - | - | 5,865 |
| Datuk Lau Joo Hong[2] | 7,821 | - | - | 7,821 |
| Lau Joo Keat[3] | 5,865 | - | - | 5,865 |

Notes:

Pursuant to Section 8(4) of the Companies Act 2016, the Directors have deemed interest in the ultimate holding company by virtue of their shareholdings in:

1 TN Lau Holdings Sdn. Bhd.
2 CW Lau & Sons Sdn. Bhd.
3 HN Lau & Sons Sdn. Bhd.

By virtue of their interest in the shares of the ultimate holding company, Datuk Lau Joo Hong and Lau Joo Han are also deemed to have interest in the shares of the Company and all of its related corporations to the extent that the ultimate holding company has an interest.

| | Number of options over ordinary shares ('000) | | | | |
|---|---|---|---|---|---|
| | At 1.1.2025 | Granted and accepted | (Exercised) | (Lapsed) | At 31.12.2025 |
| The Company | | | | | |
| Direct interests: | | | | | |
| Lau Chia Nguang | 1,530 | - | - | - | 1,530 |
| Tan Sri Dato' Lau Eng Guang | 1,530 | - | - | - | 1,530 |
| Tan Sri Lau Tuang Nguang | 1,530 | - | - | - | 1,530 |
| Datuk Lau Joo Hong | 1,350 | - | - | - | 1,350 |
| Lau Joo Han | 1,275 | - | - | - | 1,275 |
| Lau Joo Keat | 1,275 | - | - | - | 1,275 |

## OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## OTHER STATUTORY INFORMATION (CONTINUED)

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## SUBSIDIARIES

Details of subsidiaries are set out in Note 14 to the financial statements.

## LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Lau Chia Nguang
Tan Sri Dato' Lau Eng Guang
Tan Sri Lau Tuang Nguang
Datuk Lau Joo Hong
Lau Jui Peng
Lau Joo Heng
Lau Joo Han
Lau Joo Hwa
Lau Joo Kiang
Lau Joo Keat
Lau Joo Yong
Lau Joo Ping
Adrian Ferdinand Oroh
Brian M. O. Connor
Carlos Cabanes Royo
Cai Bo Wen
Chen Zhen
Choo Joo Thong
Chua Teck Choh
Chua Teck Lee
Dato' Haji Mustaffa Kamal Bin Dato' Haji Shamsudin (Resigned on 1 October 2024)
Dato' Haji Ashari Bin Haji Kasnan (Appointed on 22 May 2025)
Dato' Dr. Ma'amor Bin Osman
Dato' Seri Abdul Azim Bin Mohamad Zabidi
David Morella Jorba
David Siow Ak Heong
Dr. Aidawani Binti Abd Latif
Dr. Masri Bin Sehap
Dr. Norwati Akma Binti Abd Samad
Faye Ong
Fleur Marie B. Africano
Goh Kar Meng
Goh Sze Ling
Goh Wen Ling
Koh Bock Swi
Koh Kim Chui
Law Kim Kow
Lee Chai Soon
Lee Choon Seng
Lee Lai Hock
Lee Zhiwei
Leek Tien Hee
Lim Hock Mow
Lim Huey Hean
Lim Meng Bin (Resigned on 22 April 2025)
Lim Ying Khoo
Loh Wee Ching
Loi Jin Choo
Low Chiew Boey
Low Choon Seng
Low Eng Guan
Low Kim Seng
Ma Chin Chiew
Na Eluen
Na Yok Chee
Nam Hiok Joo

## LIST OF DIRECTORS OF SUBSIDIARIES (CONTINUED)

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows (continued):

Nam Hiok Yong
Nam Ya Jun
Na Yi Chan
Ng Eng Leng
Ng Wei Quan (Resigned on 2 September 2025)
Ong Gee Tiong
Ong Pang Teck
Quek Cheaw Kwang
Quek Min Sin (Appointed on 20 November 2025)
Rewin Hanrahan Lie
Rudy Hartono Husin
Sespriansyah
Sim Kim Hwa
Tan Joo Hock
Tan Lai Kai
Tan Shiah Siah
Tay Kong Howe
Tuan Haji Jamaludin Bin A Hamid (Appointed on 22 May 2025)
Wang Tiam Soo
Wong Chee Seng
Wong Hwa Yao
Wong Sui Teck
Wong Wai Meng
Yongkie Handaya
Yip Ah Chean
Yeoh Jia Xing
Yaw Hoo Chow (Appointed on 29 January 2026)

## INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance coverage for the Directors and Officers of the Company. During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Company are RM80,000,000 and RM104,000 respectively.

## AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company for the financial year ended 31 December 2025 were as follows:

| | Group<br>RM'000 | Company<br>RM'000 |
|---|---|---|
| Statutory audit fees: | | |
| PricewaterhouseCoopers PLT | 1,803 | 104 |
| Member firms of PricewaterhouseCoopers International Limited | 1,965 | - |
| | 3,768 | 104 |

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LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## DIRECTORS' REPORT (CONTINUED)

### AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 21 April 2026.

Signed on behalf of the Board of Directors:

LAU CHIA NGUANG
DIRECTOR

TAN SRI LAU TUANG NGUANG
DIRECTOR

Kuala Lumpur

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201401022577 (1098663-D)

LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lau Chia Nguang and Tan Sri Lau Tuang Nguang, being two of the Directors of Leong Hup International Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 18 to 147 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2025 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 21 April 2026.

LAU CHIA NGUANG
DIRECTOR

TAN SRI LAU TUANG NGUANG
DIRECTOR

Kuala Lumpur

## STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Chong Choon Yeng, the officer primarily responsible for the financial management of Leong Hup International Berhad, do solemnly and sincerely declare that, the financial statements set out on pages 18 to 147 are in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHONG CHOON YENG
(MIA No. 26002)

Subscribed and solemnly declared by the abovenamed

At: Petaling Jaya, Selangor

On: 21 April 2026

Before me:

PESURUHJAYA SUMPAH
No: B335
Name: MOHD IRWAN BIN MOHD RADZI
1 OCT 2023
1 OCT 2026
MALAYSIA

COMMISSIONER FOR OATHS

NO. 11-2, Tingkat 2,
Jalan Cempaka SD 12/2,
Bandar Sri Damansara,
Petaling Jaya, Selangor.
Tel: 013-528 7584

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# INDEPENDENT AUDITORS' REPORT
# TO THE MEMBERS OF LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)
Registration No. 201401022577 (1098663-D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Leong Hup International Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 18 to 147.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146),
Chartered Accountants, Level 10, Menara TH 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192,
50706 Kuala Lumpur, Malaysia.
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288

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# INDEPENDENT AUDITORS' REPORT
# TO THE MEMBERS OF LEONG HUP INTERNATIONAL BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 201401022577 (1098663-D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

### Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Valuation of biological assets**<br>Refer to Note 2.24 for accounting policies and Note 3(i) and Note 17 to the financial statements.<br><br>As at 31 December 2025, the Group has biological assets balance of RM624,307,000.<br><br>Biological assets of the Group comprise mainly breeders, commercial layers, broilers and hatching eggs. In determining the fair value of the biological assets, the Group uses a discounted cash flow model. Significant judgement is required to be made by Directors and management to estimate the key assumptions. These judgements impact the fair value of biological assets recognised. | We obtained the biological assets' valuation prepared by management. The valuation was based on fair value less costs to sell, using discounted cash flow model.<br><br>We have checked the mathematical accuracy of the valuation model prepared by management.<br><br>We involved our valuation experts to evaluate the appropriateness of the methodology and key assumptions, used by Directors and management in the valuation of the biological assets.<br><br>We corroborated the expected production of day-old-chick, table eggs and feed consumption rate to the historical data and the manufacturer's guidebook of the particular breed of poultry. |

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Valuation of biological assets (continued)** | |
| We focused on this area as key judgements are made to estimate the expected selling price of day-old-chick, table eggs and broilers, expected number of table eggs produced as well as feed costs used in determining fair value less costs to sell, using discounted cash flow model. | In respect of the projected selling prices and feed costs, we performed back-testing by comparing the projected prices against historical prices and/or latest available prices and cost and checked the reasonableness of the adjustments made for abnormal market movements.<br><br>We assessed the appropriateness of the range used to test the sensitivity analysis performed by management.<br><br>We reviewed the adequacy of the disclosures in the financial statements.<br><br>Based on the above procedures performed, we did not identify any material exceptions to Directors and management's assessment on the valuation of biological assets as at 31 December 2025. |

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and contents in the 2025 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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# INDEPENDENT AUDITORS' REPORT
# TO THE MEMBERS OF LEONG HUP INTERNATIONAL BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 201401022577 (1098663-D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

### Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LEONG HUP INTERNATIONAL BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 201401022577 (1098663-D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

WILLIAM MAH JIN CHIEK
03085/07/2027 J
Chartered Accountant

Kuala Lumpur
21 April 2026

Registration No.
201401022577 (1098663-D)

# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF COMPREHENSIVE INCOME
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Group 2025 RM'000 | Group 2024 RM'000 | Company 2025 RM'000 | Company 2024 RM'000 |
|---|---|---|---|---|---|
| Revenue | 4 | 8,829,182 | 9,309,452 | 174,573 | 118,859 |
| Other income | | 140,793 | 139,860 | 628 | 819 |
| Changes in fair value of biological assets | | 79,392 | 71,264 | - | - |
| Changes in closing inventories | | (110,646) | (2,468) | - | - |
| Purchases of inventories and livestock | | (5,804,830) | (6,345,298) | - | - |
| Employee benefit costs including Directors' remuneration | 5 | (853,380) | (866,018) | (2,571) | (1,852) |
| Depreciation of: | | | | | |
| Property, plant and equipment | 10 | (262,008) | (269,131) | (3) | (1) |
| Investment properties | 11 | (216) | (217) | - | - |
| Right-of-use assets | 12 | (45,782) | (43,610) | - | - |
| Utilities costs | | (222,407) | (245,500) | - | - |
| Repair and maintenance | | (122,960) | (108,632) | - | - |
| Transportation expenses | | (209,859) | (199,590) | (1) | (3) |
| Writeback of impairment /(Impairment losses) of: | | | | | |
| Property, plant and equipment | 10 | 9,138 | (18,900) | - | - |
| Right-of-use assets | 12 | (994) | (99) | - | - |
| Goodwill | 13 | - | (8,404) | - | - |
| Farmers' incentive | | (105,239) | (113,985) | - | - |
| Other expenses | | (396,267) | (407,945) | (4,822) | (5,343) |
| Profit from operations | 6 | 923,917 | 890,779 | 167,804 | 112,479 |
| Finance costs | 7 | (101,193) | (130,617) | (2,295) | (523) |
| Share of profit of associates | 15 | 685 | 356 | - | - |
| Profit before tax | | 823,409 | 760,518 | 165,509 | 111,956 |
| Tax expense | 8 | (161,483) | (129,708) | (4,322) | (4,177) |
| Net profit for the financial year | | 661,926 | 630,810 | 161,187 | 107,779 |

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LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

| | Note | Group 2025 RM'000 | Group 2024 RM'000 | Company 2025 RM'000 | Company 2024 RM'000 |
|---|---|---|---|---|---|
| Other comprehensive loss: | | | | | |
| Item that will be subsequently reclassified to profit or loss: | | | | | |
| Currency translation differences | | (220,866) | (112,613) | - | - |
| | | (220,866) | (112,613) | - | - |
| Items that will not be subsequently reclassified to profit or loss: | | | | | |
| Remeasurement of post-employment benefit obligation | 33 | 484 | 672 | - | - |
| Income tax relating to remeasurement of post-employment benefit obligation | 8 | (98) | (134) | - | - |
| | | 386 | 538 | - | - |
| Other comprehensive loss for the financial year | | (220,480) | (112,075) | - | - |
| Total comprehensive income for the financial year | | 441,446 | 518,735 | 161,187 | 107,779 |
| Profit for the financial year attributable to: | | | | | |
| Owners of the Company | | 501,112 | 428,930 | 161,187 | 107,779 |
| Non-controlling interests | | 160,814 | 201,880 | - | - |
| | | 661,926 | 630,810 | 161,187 | 107,779 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 313,384 | 322,282 | 161,187 | 107,779 |
| Non-controlling interests | | 128,062 | 196,453 | - | - |
| | | 441,446 | 518,735 | 161,187 | 107,779 |
| Earnings per share attributable to the owners of the Company (sen): | | | | | |
| - basic and diluted | 9 | 14.04 | 11.75 | | |

The accompanying notes form an integral part of the financial statements.

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# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2025

| | Note | Group 2025 RM'000 | Group 2024 RM'000 | Company 2025 RM'000 | Company 2024 RM'000 |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 10 | 2,752,245 | 2,683,265 | 9 | 1 |
| Investment properties | 11 | 36,620 | 31,148 | - | - |
| Right-of-use assets | 12 | 362,903 | 392,466 | - | - |
| Intangible assets | 13 | 89,387 | 91,235 | - | - |
| Investment in subsidiaries | 14 | - | - | 1,601,916 | 1,559,775 |
| Investment in associates | 15 | 2,646 | 1,810 | - | - |
| Financial assets at fair value through other comprehensive income | | 7 | 4,446 | - | - |
| Financial assets at fair value through profit or loss | | 6,520 | - | - | - |
| Other receivables, deposits and prepaid expenses | 20 | 18,095 | 13,003 | - | - |
| Amount due from an associate | 22 | 25,734 | 27,925 | - | - |
| Deferred tax assets | 16 | 53,249 | 63,597 | - | - |
| Total non-current assets | | 3,347,406 | 3,308,895 | 1,601,925 | 1,559,776 |
| CURRENT ASSETS | | | | | |
| Biological assets | 17 | 624,307 | 571,763 | - | - |
| Inventories | 18 | 735,983 | 968,600 | - | - |
| Trade receivables | 19 | 591,321 | 623,171 | - | - |
| Other receivables, deposits and prepaid expenses | 20 | 219,305 | 165,085 | 16,793 | 10,852 |
| Amounts due from subsidiaries | 21 | - | - | 1,358 | 1,296 |
| Non-current assets held for sale | 23 | - | - | - | - |
| Derivative financial assets | 24 | - | 789 | - | - |
| Dividend receivable | | - | - | 26,909 | - |
| Tax recoverable | | 9,135 | 35,322 | 46 | 103 |
| Cash and bank balances | 25 | 1,011,623 | 770,670 | 1,596 | 1,086 |
| Total current assets | | 3,191,674 | 3,135,400 | 46,702 | 13,337 |
| TOTAL ASSETS | | 6,539,080 | 6,444,295 | 1,648,627 | 1,573,113 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Share capital | 26 | 1,502,692 | 1,500,714 | 1,502,692 | 1,500,714 |
| Treasury share | 27 | (132,607) | (11,547) | (132,607) | (11,547) |
| Merger reserve | 28 | (662,966) | (662,966) | - | - |
| Reserves | 29 | 1,902,649 | 1,622,415 | 188,138 | 60,137 |
| Equity attributable to owners of the Company | | 2,609,768 | 2,448,616 | 1,558,223 | 1,549,304 |
| Non-controlling interests | | 955,074 | 878,820 | - | - |
| Total equity | | 3,564,842 | 3,327,436 | 1,558,223 | 1,549,304 |

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# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (CONTINUED)

| | Note | Group 2025 RM'000 | Group 2024 RM'000 | Company 2025 RM'000 | Company 2024 RM'000 |
|---|---|---|---|---|---|
| LIABILITIES | | | | | |
| NON-CURRENT LIABILITIES | | | | | |
| Deferred tax liabilities | 16 | 160,116 | 150,582 | - | - |
| Lease liabilities | 31 | 133,830 | 145,394 | - | - |
| Bank borrowings | 32 | 655,499 | 575,947 | - | - |
| Post-employment benefits obligation | 33 | 39,351 | 39,908 | - | - |
| Deferred income - government grants | 34 | 330 | 687 | - | - |
| Provision for asset retirement obligation | 35 | 5,322 | 4,918 | - | - |
| Total non-current liabilities | | 994,448 | 917,436 | - | - |
| CURRENT LIABILITIES | | | | | |
| Trade payables | 36 | 305,002 | 311,641 | - | - |
| Other payables and accrued expenses | 37 | 373,201 | 406,871 | 2,514 | 2,521 |
| Amounts due to subsidiaries | 38 | - | - | 87,890 | 21,288 |
| Lease liabilities | 31 | 31,262 | 30,708 | - | - |
| Bank borrowings | 32 | 1,227,790 | 1,418,758 | - | - |
| Derivative financial liabilities | 24 | 833 | - | - | - |
| Deferred income - government grants | 34 | 330 | 344 | - | - |
| Tax payable | | 41,372 | 31,101 | - | - |
| Total current liabilities | | 1,979,790 | 2,199,423 | 90,404 | 23,809 |
| TOTAL LIABILITIES | | 2,974,238 | 3,116,859 | 90,404 | 23,809 |
| TOTAL EQUITY AND LIABILITIES | | 6,539,080 | 6,444,295 | 1,648,627 | 1,573,113 |

The accompanying notes form an integral part of the financial statements.

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# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CHANGES IN EQUITY
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Share capital RM'000 | Treasury share RM'000 | Merger reserve RM'000 | Share application money RM'000 | Foreign currency translation reserve RM'000 | ESOS reserve RM'000 | Retained earnings RM'000 | Total attributable to owners of the Company RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Group | | | | | | | | | | | |
| At 1 January 2025 | | 1,500,714 | (11,547) | (662,966) | - | (79,464) | 3,277 | 1,698,602 | 2,448,616 | 878,820 | 3,327,436 |
| Comprehensive income: | | | | | | | | | | | |
| - Net profit for the financial year | | - | - | - | - | - | - | 501,112 | 501,112 | 160,814 | 661,926 |
| Other comprehensive income: | | | | | | | | | | | |
| - Remeasurement of post-employment benefit obligation | | - | - | - | - | - | - | 224 | 224 | 162 | 386 |
| - Exchange translation differences | | - | - | - | - | (187,969) | 17 | - | (187,952) | (32,914) | (220,866) |
| Total other comprehensive income | | - | - | - | - | (187,969) | 17 | 224 | (187,728) | (32,752) | (220,480) |
| Total comprehensive income | | - | - | - | - | (187,969) | 17 | 501,336 | 313,384 | 128,062 | 441,446 |
| Transactions with owners: | | | | | | | | | | | |
| - Issuance of shares pursuant to ESOS | | 1,978 | - | - | 130 | - | - | - | 2,108 | - | 2,108 |
| - Purchase of treasury shares | 27 | - | (121,060) | - | - | - | - | - | (121,060) | - | (121,060) |
| - Dividends paid | 39 | - | - | - | - | - | - | (35,989) | (35,989) | (41,709) | (77,698) |
| - Changes in equity interest in subsidiaries | | - | - | - | - | - | - | 53 | 53 | (10,099) | (10,046) |
| - ESOS expenses | 5 | - | - | - | - | - | 2,656 | - | 2,656 | - | 2,656 |
| - ESOS exercised and lapsed | | - | - | - | - | - | (930) | 930 | - | - | - |
| | | 1,978 | (121,060) | - | 130 | - | 1,726 | (35,006) | (152,232) | (51,808) | (204,040) |
| At 31 December 2025 | | 1,502,692 | (132,607) | (662,966) | 130 | (267,433) | 5,020 | 2,164,932 | 2,609,768 | 955,074 | 3,564,842 |

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# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CHANGES IN EQUITY
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

| | Note | Share capital RM'000 | Treasury share RM'000 | Merger reserve RM'000 | Foreign currency translation reserve RM'000 | ESOS reserve RM'000 | Retained earnings RM'000 | Total attributable to owners of the Company RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| Group | | | | | | | | | | |
| At 1 January 2024 | | 1,499,684 | - | (662,966) | 27,515 | 11,097 | 1,361,376 | 2,236,706 | 718,422 | 2,955,128 |
| Comprehensive income: | | | | | | | | | | |
| - Net profit for the financial year | | - | - | - | - | - | 428,930 | 428,930 | 201,880 | 630,810 |
| Other comprehensive income: | | | | | | | | | | |
| - Remeasurement of post-employment benefit obligation | | - | - | - | - | - | 311 | 311 | 227 | 538 |
| - Exchange translation differences | | - | - | - | (106,979) | 20 | - | (106,959) | (5,654) | (112,613) |
| Total other comprehensive income | | - | - | - | (106,979) | 20 | 311 | (106,648) | (5,427) | (112,075) |
| Total comprehensive income | | - | - | - | (106,979) | 20 | 429,241 | 322,282 | 196,453 | 518,735 |
| Transactions with owners: | | | | | | | | | | |
| - Issuance of shares pursuant to ESOS | | 1,030 | - | - | - | - | - | 1,030 | - | 1,030 |
| - Purchase of treasury shares | 27 | - | (11,547) | - | - | - | - | (11,547) | - | (11,547) |
| - Issuance of shares in subsidiary to non-controlling interest | | - | - | - | - | - | - | - | 400 | 400 |
| - Dividends paid | 39 | - | - | - | - | - | (100,385) | (100,385) | (33,821) | (134,206) |
| - Changes in equity interest in subsidiaries | | - | - | - | - | - | (3,052) | (3,052) | (2,634) | (5,686) |
| - ESOS expenses | 5 | - | - | - | - | 3,582 | - | 3,582 | - | 3,582 |
| - ESOS exercised and lapsed | | - | - | - | - | (11,422) | 11,422 | - | - | - |
| | | 1,030 | (11,547) | - | - | (7,840) | (92,015) | (110,372) | (36,055) | (146,427) |
| At 31 December 2024 | | 1,500,714 | (11,547) | (662,966) | (79,464) | 3,277 | 1,698,602 | 2,448,616 | 878,820 | 3,327,436 |

# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CHANGES IN EQUITY
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

| | Note | Share capital RM'000 | Treasury share RM'000 | Share Application money RM'000 | ESOS reserve RM'000 | Retained earnings RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|---|
| Company | | | | | | | |
| At 1 January 2025 | | 1,500,714 | (11,547) | - | 3,277 | 56,860 | 1,549,304 |
| Total comprehensive income: | | | | | | | |
| Net profit for the financial year | | - | - | - | - | 161,187 | 161,187 |
| Transactions with owners: | | | | | | | |
| Issuance of shares pursuant to ESOS | | 1,978 | - | 130 | - | - | 2,108 |
| Purchase of treasury shares | 27 | - | (121,060) | - | - | - | (121,060) |
| Dividends paid | 39 | - | - | - | - | (35,989) | (35,989) |
| ESOS expense | 5 | - | - | - | 531 | - | 531 |
| Capital contribution to subsidiaries | | - | - | - | 2,142 | - | 2,142 |
| ESOS exercised and lapsed | | - | - | - | (930) | 930 | - |
| At 31 December 2025 | | 1,502,692 | (132,607) | 130 | 5,020 | 182,988 | 1,558,223 |

| | Note | Share capital RM'000 | Treasury share RM'000 | ESOS reserve RM'000 | Retained earnings RM'000 | Total equity RM'000 |
|---|---|---|---|---|---|---|
| Company | | | | | | |
| At 1 January 2024 | | 1,499,684 | - | 11,097 | 38,044 | 1,548,825 |
| Total comprehensive income: | | | | | | |
| Net profit for the financial year | | - | - | - | 107,779 | 107,779 |
| Transactions with owners: | | | | | | |
| Issuance of shares pursuant to ESOS | | 1,030 | - | - | - | 1,030 |
| Purchase of treasury shares | 27 | - | (11,547) | - | - | (11,547) |
| Dividends paid | 39 | - | - | - | (100,385) | (100,385) |
| ESOS expense | 5 | - | - | 694 | - | 694 |
| Capital contribution to subsidiaries | | - | - | 2,908 | - | 2,908 |
| ESOS exercised and lapsed | | - | - | (11,422) | 11,422 | - |
| At 31 December 2024 | | 1,500,714 | (11,547) | 3,277 | 56,860 | 1,549,304 |

The accompanying notes form an integral part of the financial statements.

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# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Group 2025 RM'000 | Group 2024 RM'000 | Company 2025 RM'000 | Company 2024 RM'000 |
|---|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit before tax | | 823,409 | 760,518 | 165,509 | 111,956 |
| Adjustments for: | | | | | |
| Expense recognised in respect of defined benefit plan | 33 | 7,961 | 5,929 | - | - |
| Depreciation of: | | | | | |
| - property, plant and equipment | 10 | 262,008 | 269,131 | 3 | 1 |
| - investment properties | 11 | 216 | 217 | - | - |
| - right-of-use assets | 12 | 45,782 | 43,610 | - | - |
| Amortisation of deferred income | 34 | (342) | (356) | - | - |
| Write-off of: | | | | | |
| - property, plant and equipment | 10 | 6,577 | 6,589 | - | - |
| - inventories | 6 | 182 | - | - | - |
| Gain on termination of leases | 6 | (50) | (1,747) | - | - |
| Gain on disposal of property, plant and equipment | 6 | (2,070) | (7,354) | - | - |
| Unrealised loss on foreign exchange | 6 | 4,140 | 867 | 25 | 76 |
| Fair value loss/(gain) on: | | | | | |
| - derivative financial instruments | 6 | 1,107 | (1,908) | - | - |
| - FVTPL | | (20) | - | - | - |
| Share of profit of associates | 15 | (685) | (356) | - | - |
| Bad debts written off | 6 | 165 | 367 | - | - |
| Provision for/(reversal of) impairment loss on: | | | | | |
| - property, plant and equipment | 10 | (9,138) | 18,900 | - | - |
| - right-of-use assets | 12 | 994 | 99 | - | - |
| - goodwill | 13 | - | 8,404 | - | - |
| - trade receivables | 19 | (2,224) | 9,180 | - | - |
| - other receivables | 20 | 403 | 154 | - | - |
| Reversal of inventories written down | | (568) | - | - | - |
| ESOS expenses | 5 | 2,656 | 3,582 | 531 | 694 |
| Dividend income | 4 | - | - | (174,573) | (118,859) |
| Interest income from associate | 6 | (1,727) | (1,727) | - | - |
| Interest income | 6 | (22,437) | (14,807) | (648) | (894) |
| Finance costs | 7 | 101,193 | 130,617 | 2,295 | 523 |
| | | 1,217,532 | 1,229,909 | (6,858) | (6,503) |

LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

| | Note | Group 2025 RM'000 | Group 2024 RM'000 | Company 2025 RM'000 | Company 2024 RM'000 |
|---|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED) | | | | | |
| Changes in working capital: | | | | | |
| Biological assets | | (79,392) | (71,264) | - | - |
| Inventories | | 110,646 | 2,468 | - | - |
| Receivables | | (92,748) | 38,678 | (8,238) | (10,597) |
| Payables | | 49,383 | 13,595 | 9 | (3,360) |
| Cash generated from operations | | 1,205,421 | 1,213,386 | (15,087) | (20,460) |
| Tax paid | | (136,425) | (103,181) | (190) | (22) |
| Tax refunded | | 21,194 | 18,073 | 99 | - |
| Post-employment benefit paid | | (2,897) | (1,592) | - | - |
| Net cash flow from operating activities | | 1,087,293 | 1,126,686 | (15,178) | (20,482) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Advances to an associate | 40 | (915) | (9,394) | - | - |
| Proceeds from disposal of property, plant and equipment | | 5,317 | 31,905 | - | - |
| Proceeds from partial disposal of a subsidiary | | - | 1,916 | - | - |
| Dividend income received from: | | | | | |
| - an associate | 15 | - | 204 | - | - |
| - subsidiaries | | - | - | 145,723 | 118,859 |
| Interest income received from associate | | 1,468 | 1,917 | - | - |
| Interest income received | | 22,437 | 14,807 | 648 | 894 |
| Additions of: | | | | | |
| - property, plant and equipment | 10 | (450,013) | (332,635) | (11) | - |
| - investment properties | 11 | (5,688) | (1,483) | - | - |
| - right-of-use assets | 12 | (12,766) | (13,567) | - | - |
| Acquisition of additional shares in a subsidiary | | (10,046) | (7,602) | (40,000) | - |
| Acquisition of additional shares in an associate | 15 | (182) | - | - | - |
| Purchase of financial assets through profit or loss | | (6,500) | - | - | - |
| (Increase)/Decrease in fixed deposits pledged | | (21,112) | 7,827 | - | - |
| Placement of fixed deposits with more than three months maturity | | (230,348) | (84,475) | - | - |
| Withdrawal of fixed deposits with more than three months maturity | | 142,390 | 58,814 | - | - |
| Net cash flow from investing activities | | (565,958) | (331,766) | 106,360 | 119,753 |

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# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

| | Note | Group 2025 RM'000 | Group 2024 RM'000 | Company 2025 RM'000 | Company 2024 RM'000 |
|---|---|---|---|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Finance costs paid | | (98,445) | (131,093) | (1,570) | (46) |
| Dividends paid to: | | | | | |
| - shareholders | 39 | (35,989) | (144,185) | (35,989) | (144,185) |
| - non-controlling interests | | (41,709) | (33,821) | - | - |
| Repayment of hire purchase liabilities | | (7,086) | (12,720) | - | - |
| Payments for the principal portion of lease liabilities | | (36,045) | (27,412) | - | - |
| Drawdown of term loans | | 61,646 | 73,818 | - | - |
| Repayment of term loans | | (158,505) | (237,945) | - | - |
| Drawdown of Sukuk Mudharabah | | 250,000 | - | - | - |
| Repayment of Sukuk Mudharabah | | (163,000) | (34,000) | - | - |
| Payment of Sukuk Mudharabah's transaction costs | | (344) | - | - | - |
| Drawdown of bankers' acceptances | | 646,590 | 931,914 | - | - |
| Repayment of bankers' acceptances | | (698,401) | (966,329) | - | - |
| Drawdown of revolving credits | | 946,191 | 849,544 | - | - |
| Repayment of revolving credits | | (848,669) | (978,329) | - | - |
| Drawdown of trust receipts | | 945,532 | 1,362,969 | - | - |
| Repayment of trust receipts | | (1,035,845) | (1,361,899) | - | - |
| Drawdown of trade financing | | 269,387 | - | - | - |
| Repayment of trade financing | | (202,451) | - | - | - |
| Issuance of ordinary shares pursuant to ESOS | | 1,978 | 1,030 | 1,978 | 1,030 |
| Issuance of shares in subsidiary to non-controlling interest | | - | 400 | - | - |
| Purchase of treasury shares | | (121,060) | (11,547) | (121,060) | (11,547) |
| Share application money received | | 130 | - | 130 | - |
| Advance from a subsidiary | 40 | - | - | 97,000 | 21,000 |
| Repayment to a subsidiary | 40 | - | - | (31,136) | (17,694) |
| Net cash flow from financing activities | | (326,095) | (719,605) | (90,647) | (151,442) |
| Net changes in cash and cash equivalents | | 195,240 | 75,315 | 535 | (52,171) |
| Effect of exchange translation differences | | (46,904) | (23,901) | (25) | (76) |
| Cash and cash equivalents at beginning of the financial year | | 678,684 | 627,270 | 1,086 | 53,333 |
| Cash and cash equivalents at end of the financial year | 25 | 827,020 | 678,684 | 1,596 | 1,086 |

Registration No.
201401022577 (1098663-D)

# LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Term loans and Sukuk Mudharabah RM'000 | Short term borrowings* RM'000 | Lease liabilities RM'000 | Hire purchase liabilities RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| Group | | | | | |
| At 1 January 2025 | 879,556 | 1,100,101 | 176,102 | 6,427 | 2,162,186 |
| Drawdown | 311,646 | 2,807,700 | - | - | 3,119,346 |
| Repayment | (321,505) | (2,785,366) | (36,045) | (7,086) | (3,150,002) |
| Payment of Sukuk Mudharabah's transaction costs | (344) | - | - | - | (344) |
| Finance costs paid | (39,725) | (50,178) | (7,684) | (858) | (98,445) |
| | (49,928) | (27,844) | (43,729) | (7,944) | (129,445) |
| Non-cash transaction: | | | | | |
| Finance costs | 41,506 | 50,178 | 7,695 | 858 | 100,237 |
| Interest accretion | (383) | - | - | - | (383) |
| Addition | - | - | 35,068 | 16,256 | 51,324 |
| Lease modification | - | - | 1,989 | - | 1,989 |
| Remeasurement | - | - | 112 | - | 112 |
| Termination | - | - | (339) | - | (339) |
| Foreign exchange translation | (39,597) | (90,932) | (11,806) | (247) | (142,582) |
| At 31 December 2025 | 831,154 | 1,031,503 | 165,092 | 15,350 | 2,043,099 |
| At 1 January 2024 | 1,115,931 | 1,323,295 | 179,190 | 15,430 | 2,633,846 |
| Drawdown | 73,818 | 3,144,427 | - | - | 3,218,245 |
| Repayment | (271,945) | (3,306,557) | (27,412) | (12,720) | (3,618,634) |
| Finance costs paid | (61,491) | (59,907) | (9,018) | (677) | (131,093) |
| | (259,618) | (222,037) | (36,430) | (13,397) | (531,482) |
| Non-cash transaction: | | | | | |
| Finance costs | 59,628 | 59,907 | 9,018 | 677 | 129,230 |
| Interest accretion | 1,761 | - | - | - | 1,761 |
| Addition | - | - | 41,008 | 3,812 | 44,820 |
| Lease modification | - | - | 3,865 | - | 3,865 |
| Remeasurement | - | - | 12,011 | - | 12,011 |
| Termination | - | - | (23,246) | - | (23,246) |
| Foreign exchange translation | (38,146) | (61,064) | (9,314) | (95) | (108,619) |
| At 31 December 2024 | 879,556 | 1,100,101 | 176,102 | 6,427 | 2,162,186 |

* Short-term borrowings exclude bank overdrafts.

LEONG HUP INTERNATIONAL BERHAD
(Incorporated in Malaysia)

## STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONTINUED)

| | Amounts due to subsidiaries | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Company | | |
| At 1 January | 21,035 | 17,252 |
| Net cash flow | 64,294 | 3,260 |
| Non-cash transaction: | | |
| Finance costs | 2,295 | 523 |
| At 31 December | 87,624 | 21,035 |

The accompanying notes form an integral part of the financial statements.

## 1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office is as follows:

Principal place of business

3rd Floor, Wisma Westcourt,
No. 126, Jalan Kelang Lama,
58000 Kuala Lumpur,
Malaysia.

Registered office

Unit 30-01, Level 30, Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

The Directors regard Emerging Glory Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

The principal activity of the Company is investment holding. The principal activities of the Group are the production and distribution of breeder and broiler day-old-chick, broiler chickens, eggs, animal feeds, animal health products and consumer food products. The principal activities of its subsidiaries are disclosed in Note 14 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of accounting policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors and management to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and judgement are based on the Directors and management's best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments to published standards and interpretations that are effective

The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2025:

- Amendments to MFRS 121 'Lack of Exchangeability'

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Standards and amendments that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2025. None of these is expected to have a significant effect on the financial statements of the Group.

New standards and amendments effective from financial year beginning 1 January 2026:

i Annual Improvements to MFRS Accounting Standards for enhanced consistency

ii Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) have:
  - require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

iii Amendments to MFRS 9 and MFRS 7 'Contracts Referencing Nature-dependent Electricity'

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and amendments that have been issued but not yet effective (continued)

New standards and amendments effective from financial year beginning 1 January 2027:

i. Amendments to MFRS 18 'Presentation and Disclosure in Financial Statements'

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
  - The new MFRS introduces a new structure of profit or loss statement.
    (a) Income and expenses are classified into 3 new main categories:
      i. Operating category which typically includes results from the main business activities;
      ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
      iii. Financing category that presents income and expenses from financing liabilities.
    (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
  - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
  - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

ii. Amendments to MFRS 19 'Subsidiaries without Public Accountability: Disclosures'

The amendments shall be applied retrospectively.

The Group is in the process of assessing the full impact of the above standards and amendments to published standards on the financial statements of the Group in the financial year of initial application.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Basis of consolidation

The principal accounting policies applied in the preparation of the financial statements are set out below:

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations under acquisition method

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill (refer to accounting policy Note 2.5 on goodwill). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Acquisition-related costs are expensed as incurred.

Transactions between Group companies

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those adopted by the Group.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

(a) Subsidiaries (continued)

Non-controlling interests

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(b) Investments in subsidiaries and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

2.5 Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net assets of the subsidiary of the acquiree, the resulting gain is recognised directly in profit or loss.

Goodwill on acquisition of subsidiaries is included in the statement of financial position as intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ('CGUs'), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost, to their residual values over their estimated useful lives, summarised as follows:

| | |
|---|---|
| Buildings | 2% - 12.5% |
| Land improvement | 2% - 5% |
| Plant and machinery | 5% - 20% |
| Motor vehicles | 10% - 20% |
| Furniture, fittings, equipment and renovation | 5% - 50% |

Depreciation on assets under construction commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Refer to accounting policy Note 2.8 on impairment of non-financial assets.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7 Investment properties

Investment properties, comprising principally land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment property is measured initially at its cost, including professional fees for legal services, property transfer taxes, other transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Investment property is depreciated on the straight-line basis to allocate the cost to their residual values over their estimated useful lives of 8 to 50 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

### 2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. The Group also assesses goodwill, intangible assets with indefinite useful life and other assets that are subject to amortisation for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortised cost

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/(expenses) together with foreign exchange gains and losses. Impairment losses are included as other expenses in the statement of comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

(ii) Fair value through other comprehensive income ('FVOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/(expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/(expenses) and impairment losses are included as other expenses in the statement of comprehensive income.

(iii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other income/(expenses) in the period which it arises.

Equity instruments

The Group subsequently measures all equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other income/(expenses) in the statement of comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(d) Subsequent measurement – Impairment

Impairment for debt instruments and financial guarantee contracts

The Group assesses on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and Company have five types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables and deposits
- Amounts due from intercompanies
- Amounts due from associates
- Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group or Company expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, deposits and non-trade amounts due from intercompanies and associates

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 44 sets out the measurement details of ECL.

(ii) Simplified approach for trade receivables and trade amounts due from intercompanies

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Note 44 sets out the measurement details of ECL.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

Macroeconomic information is incorporated as part of the internal rating model. Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 180 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables arising from poultry business have been grouped based on shared credit risk characteristics of customer's geographical location and the days past due.

(ii) Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually. Amounts due from intercompanies and amounts due from associates in the Group and the Company's financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each entities' receivables.

Write-off

(i) Trade receivables and trade amounts due from intercompanies

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables, deposits, non-trade amount due from intercompanies and amounts due from associates

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.10 Leases

Accounting by lessee

Leases are recognised as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

The Group applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment properties owned by the Group. Refer to accounting policy Note 2.7 on investment property.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.10 Leases (continued)

Accounting by lessee (continued)

ROU assets (continued)

The Group leases various lands, buildings and equipment. The right-of-use assets are depreciated over the following leases terms which included extension options that had been assessed at inception date that would be exercised based on the prevailing economic conditions.

| | |
|---|---|
| Leasehold land | 32 - 99 years |
| Land use rights | 20 - 60 years |
| Land from operating lease | 2 - 60 years |
| Buildings | 1 - 15 years |
| Plant and machinery | 1 - 12 years |

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statement of comprehensive income.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.11 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Refer to accounting policy Note 2.9(d) on impairment of financial assets.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using first in, first out method or weighted average costs, as applicable. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs, including import duties and other taxes and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. It excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

### 2.13 Cash and cash equivalents

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts, less restricted cash. Restricted cash includes restricted deposits held as compensating balances against credit facilities arrangements.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. In the statement of financial position, banks overdrafts are shown within borrowings in current liabilities.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.14 Share capital

(a) Classification

Ordinary shares are classified as equity.

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted against equity.

(c) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(d) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade payables are subsequently measured at amortised cost using the effective interest method.

### 2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the weighted average effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the Contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been 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.

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.17 Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets including tax benefit from investment tax credit, including reinvestment allowance are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, associates, except where the timing of the reversal of the temporary difference is controlled by the parent, investor and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the investor is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the investor the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 Employee benefits

Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other payables in the statement of financial position.

### 2.19 Share-based payments - Employee options

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of share options for a specific period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.19 Share-based payments - Employee options (continued)

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

Modification and Cancellation

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a cancelled award is substituted by a new award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. If the Company does not identify a new award granted as replacement equity instruments for the cancelled award, the new award is accounted as a new grant of equity instruments

If an equity award is cancelled by forfeiture, when the vesting conditions (other than market conditions) have not been met, any expense not yet recognised for that award, as at the date of forfeiture, is treated as if it had never been recognised. At the same time, any expense previously recognised on such cancelled equity awards are reversed from the accounts effective as at the date of forfeiture.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### 2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.21 Contingent assets and liabilities

The Group does not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

### 2.22 Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfer control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of applicable tax, returns, rebates and discounts. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group's revenue is derived mainly from sales of chicken and other poultry related products, such as poultry feed and processed food.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

Sales of chicken and other poultry related products

Revenue from sales of chicken and other poultry related products including eggs are recognised net of discount and applicable tax at the point in time when control of the goods has transferred to customer. Depending on the terms of the contract with the customer, control transfers either upon delivery of the goods to locations specified by the customer and acceptance of the goods by the customer; or upon delivery of the chicken on board for onward delivery to the customer.

Sales of feed

Revenue from sales of poultry feed are recognised net of discount and applicable tax at the point in time when control of the goods has transferred to customer. The terms of contract with the customer is ex-factory where control transfers upon the feed truck is weighed for quantity of feed loaded and accepted by customers' truck driver before it leaves the feedmill. Revenue for sales of feed by bag packaging are recognised upon delivery of the goods to locations specified by the customer and acceptance of the goods by the customer which indicate the transfer of control.

There is no element of financing present as the Group's sale of goods are either on cash term or on credit terms not exceeding 12 months.

(ii) Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

- Lease income is recognised on the straight-line basis over the lease terms. (Note 2.10).
- Dividend income is recognised when the Group's right to receive payment is established.

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.23 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss. All other foreign exchange gains and losses are presented in profit or loss on a net basis within other income or expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income, are included in other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Foreign currencies (continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

2.24 Biological assets

Biological assets comprising of breeders, broilers, commercial layers and hatching eggs are measured at fair value less cost to sell. Costs to sell include the incremental costs directly attributable to the sale of biological assets but excludes finance costs and income taxes. Purchases of livestock are directly expensed to profit or loss when incurred. Changes in fair value of biological assets, livestock losses, the carrying amount of livestock depopulation and the carrying amount of livestock sold are recognised in the statement of comprehensive income within "Change in fair value of biological assets".

The following are further information on determining the fair value of each livestock.

Breeders

Breeders comprise grandparents and parent breeding stocks. The fair value of grandparents and parent breeding stocks is determined using a discounted cash flow model over their lifespan based on the expected cash inflow from day-old-chick or hatching egg produced by each breeder, less expected costs incurred, and imputed contributory assets charges for the assets essential for the production of day-old-chick.

Commercial layers

Commercial layers comprise pullets and layers. The fair value of pullets and layers is determined using a discounted cash flow model over their lifespan based on the expected cash inflow from table eggs produced by each layer, less expected costs incurred, and imputed contributory assets charges for the assets essential for the production of table eggs.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Biological assets (continued)

Broilers

The fair value of the broilers is determined using a discounted cash flow model based on expected selling price of broilers less estimated costs incurred over the life span until the point of sale.

Certain broilers are transferred to the processing plant at fair value less estimated point-of-sale costs. These broilers are then further processed when slaughtered. Once slaughtered, the biological assets are transferred to inventory.

Hatching eggs

The fair value of hatching eggs is determined using a discounted cash flow model based on expected cash inflow from expected selling price of day-old-chick or hatching egg less estimated hatchery costs to be incurred for hatching the eggs into day-old-chick, and imputed contributory asset charges for the assets essential for the hatchery production.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Board of Directors has appointed a Management Team which assesses the financial performance and position of the Group, and makes strategic decisions. The Management Team, which has been identified as being the chief operating decision maker, comprise the Group's chief executive officer, chief executive officer of the respective countries and the Group's chief financial officer.

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants related to income are recognised in profit or loss within "other income" over the periods to match the related costs for which the grants are intended to compensate.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Biological assets

The fair value of biological assets is determined using a discounted cash flow model. Directors and management estimates are required in measuring the fair value of biological assets. Changes to any of these assumptions would affect the fair value of the biological assets.

Breeders

In measuring the fair value of breeders, management's estimation includes the expected number of day-old-chick produced by each breeders, the expected selling price of the day-old-chick or hatching egg, expected salvage value of old birds, mortality rate, feed consumption rate, feed costs and other estimated farming costs to be incurred over the life span of the breeders, as well as the discount rate used for the cash flow.

Commercial layers

In measuring the fair value of commercial layers, management's estimation includes the expected number of table eggs produced by each layer, the expected selling price of the table eggs, expected salvage value of layers, mortality rate, feed consumption rate, feed costs and other estimated farming costs to be incurred over the life span of the layers, as well as the discount rate used for the cash flow.

Broilers

Management's estimation includes the expected selling price of broilers, saleable weight, mortality rate, feed consumption rate, feed costs and other estimated farming costs to be incurred over the life span of broilers, as well as the discounted rate used for the cash flow.

Hatching eggs

Management's estimation includes the expected selling price of day-old-chick or hatching egg, internal hatchability ratio, estimated hatchery cost to be incurred for hatching the eggs into day-old-chick.

The Group recorded a fair value for its biological assets of RM624,307,000 as at 31 December 2025 (2024: RM571,763,000). The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 17 to the financial statements.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### (ii) Contingent liabilities

The Group identifies and analyses on a regular basis the current litigation, claims and arbitration involving the group, if any, when they arise. When necessary, provisions are made based on the best estimate of the expenditure required to settle the obligations, taking into account information available and different possible outcomes at the reporting date.

Contingent liabilities may develop in a way not initially expected. Therefore, a contingent liability is disclosed when it is not possible to predict the outcome of present obligations that arise from past events.

Management has made an assessment on contingent liabilities, including uncertainty relating to the outcome of its ongoing appeal on the penalty imposed by Malaysia Competition Commission ("MyCC"), which is inherently subject to uncertain future events and is disclosed in Note 41 in the notes to the financial statements.

### (iii) Deferred taxes

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves significant judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised, the likely timing and level of future taxable profits together with future tax planning strategies to support the basis of recognition of deferred tax assets. Further details of deferred tax asset are disclosed in Note 16 to the financial statements.

## 4 REVENUE

The Group derives the following types of revenue:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue from contracts with customers recognised at a point in time: | | | | |
| - Sales of goods | 8,815,787 | 9,297,996 | - | - |
| Revenue from other sources: | | | | |
| - Lease income | 13,289 | 11,344 | - | - |
| - Dividend income from subsidiaries | - | - | 174,573 | 118,859 |
| - Others | 106 | 112 | - | - |
| Total revenue | 8,829,182 | 9,309,452 | 174,573 | 118,859 |

4 REVENUE (CONTINUED)

Disaggregation of revenue from contracts with customers by product segments:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Livestock and other poultry related products | 5,373,986 | 5,398,950 |
| Feedmill | 3,441,801 | 3,899,046 |
| | 8,815,787 | 9,297,996 |

Included in the revenue from livestock and other poultry related products is revenue from sales of table eggs of RM790,123,000 (2024: RM806,565,000).

5 EMPLOYEE BENEFIT COSTS INCLUDING DIRECTORS' REMUNERATION

(a) Employee benefit costs including Directors' remuneration

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Salaries, wages, bonuses and other benefits | 799,341 | 814,056 | 1,904 | 1,138 |
| Defined contribution plans | 43,422 | 42,451 | 136 | 20 |
| Defined benefit plans (Note 33) | 7,961 | 5,929 | - | - |
| ESOS expenses | 2,656 | 3,582 | 531 | 694 |
| | 853,380 | 866,018 | 2,571 | 1,852 |

(b) The breakdown of the Directors' remuneration of the Group and Company are as disclosed in Note 40 to the financial statements.

## 6 PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Auditors' remuneration: | | | | |
| Statutory audit | | | | |
| - PricewaterhouseCoopers PLT | 1,803 | 1,705 | 104 | 109 |
| - Member firms of PricewaterhouseCoopers International Limited | 1,965 | 2,216 | - | - |
| - Others | 261 | 162 | - | - |
| Other services | | | | |
| - PricewaterhouseCoopers PLT | 75 | 7 | 10 | - |
| - Member firms of PricewaterhouseCoopers International Limited | 598 | 49 | - | - |
| Foreign exchange (gains)/losses: | | | | |
| - realised | (2,953) | 552 | - | - |
| - unrealised | 4,140 | 867 | 25 | 76 |
| Fair value loss/(gain) on | | | | |
| - derivative financial instruments | 1,107 | (1,908) | - | - |
| - FVTPL | (20) | - | - | - |
| Rental expense* | 11,948 | 11,669 | - | - |
| Write-off of: | | | | |
| - property, plant and equipment | 6,577 | 6,589 | - | - |
| - inventories | 182 | - | - | - |
| Gain on termination of leases | (50) | (1,747) | - | - |
| Provision for/(reversal of) impairment loss on: | | | | |
| - property, plant and equipment | (9,138) | 18,900 | - | - |
| - right-of-use assets | 994 | 99 | - | - |
| - goodwill | - | 8,404 | - | - |
| - trade receivables | (2,224) | 9,180 | - | - |
| - other receivables | 403 | 154 | - | - |
| Amortisation of deferred income | (342) | (356) | - | - |
| Packing materials | 19,077 | 22,273 | - | - |
| Travelling expenses | 14,614 | 14,374 | - | - |
| Promotional and marketing expenses | 14,596 | 13,774 | - | - |
| Interest income | (24,164) | (16,534) | (648) | (894) |
| Rental income | (2,950) | (2,960) | - | - |
| Gain on disposal of property, plant and equipment | (2,070) | (7,354) | - | - |
| Bad debts written off | 165 | 367 | - | - |
| Bad debts recovered | (1,352) | (92) | - | - |
| Government grant | (1,195) | (1,898) | - | - |
| Government subsidy^ | (86,767) | (92,096) | - | - |
| Management fee expense | 1,585 | 1,153 | 1,626 | 1,445 |

## 6 PROFIT FROM OPERATIONS (CONTINUED)

Profit from operations is arrived at after charging/(crediting) (continued):

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Insurance expenses | 20,277 | 20,047 | 118 | 163 |
| Brooding expenses | 10,851 | 15,436 | - | - |
| Cleaning and washing expenses | 9,983 | 11,177 | - | - |
| Pest control expenses | 3,566 | 3,463 | - | - |

* *The rental expenses disclosed comprise only short term leases and leases of low value assets. See Note 12 for details of rental expenses.*

^ *Government subsidy was recognised as 'other income' during the financial year ended 31 December 2025 and 31 December 2024 under "Program Subsidi Ayam dan Telur". The program has been approved by the Government of Malaysia on 9 February 2022. The objective of the programme is to ease the burden of poultry and layer farmers due to the increase in the production costs while the ceiling prices have been set for chicken and eggs. Under the program, the eligible poultry and layer farmers will receive cash when their applications have been approved by the Department of Veterinary Services ("DVS") under Ministry of Agriculture and Food Industries. Subsidy for chicken and eggs were discontinued on 1 November 2023 and 1 August 2025 respectively.*

## 7 FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest expenses on: | | | | |
| Bankers' acceptances | 5,906 | 9,548 | - | - |
| Bank overdrafts | 727 | 951 | - | - |
| Term loans | 28,489 | 46,475 | - | - |
| Hire purchase liabilities | 858 | 677 | - | - |
| Lease liabilities | 7,695 | 9,018 | - | - |
| Revolving credits | 26,826 | 31,771 | - | - |
| Trust receipts | 15,568 | 18,588 | - | - |
| Trade financing | 1,878 | - | - | - |
| Loan from a subsidiary | - | - | 2,295 | 523 |
| Sukuk Mudharabah | 13,017 | 13,153 | - | - |
| Others | 229 | 436 | - | - |
| | 101,193 | 130,617 | 2,295 | 523 |

## 8 TAX EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax recognised in profit or loss: | | | | |
| - Malaysian income tax | 81,339 | 45,312 | 157 | 215 |
| - Foreign income tax | 69,223 | 70,742 | - | - |
| - Overprovision in prior years | (5,764) | (3,655) | (9) | - |
| | 144,798 | 112,399 | 148 | 215 |
| Deferred taxation recognised in profit or loss (Note 16): | | | | |
| - Origination and reversal of temporary differences | 12,381 | 13,222 | - | - |
| Real property gain tax | 124 | 125 | - | - |
| Withholding tax | 4,180 | 3,962 | 4,174 | 3,962 |
| Tax expense | 161,483 | 129,708 | 4,322 | 4,177 |
| Deferred taxation recognised in OCI (Note 16): | | | | |
| - Remeasurement of post-employment benefit obligation | 98 | 134 | - | - |

## 8 TAX EXPENSE (CONTINUED)

A numerical reconciliation of income tax expense to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax | 823,409 | 760,518 | 165,509 | 111,956 |
| Tax at applicable statutory tax rate | 172,629 | 166,701 | 39,722 | 26,869 |
| Tax effects of: | | | | |
| - expenses not deductible for tax purposes | 45,387 | 29,692 | 2,333 | 1,872 |
| - income not subject to tax | (22,301) | (27,484) | (41,898) | (28,526) |
| - share of result of an associate | (164) | (85) | - | - |
| - utilisation of reinvestment allowance not recognised as tax benefits | (1,344) | (892) | - | - |
| - utilisation of previously unrecognised tax losses | (11,184) | (27,384) | - | - |
| - utilisation of previously unrecognised capital allowances | - | (317) | - | - |
| - utilisation of special incentive | (13,113) | (6,950) | - | - |
| - current year tax losses for which no deferred tax asset is recognised | - | 476 | - | - |
| - reversal of previously recognised tax benefits arising from tax losses | - | 6,980 | - | - |
| - deductible temporary differences not recognised in current year | 40 | - | - | - |
| Real property gain tax | 124 | 125 | - | - |
| Withholding tax | 4,180 | 3,962 | 4,174 | 3,962 |
| Overprovision in prior years | (12,771) | (15,116) | (9) | - |
| Tax expense | 161,483 | 129,708 | 4,322 | 4,177 |

## 8 TAX EXPENSE (CONTINUED)

The amounts of unutilised tax losses, deductible temporary differences on property, plant and equipment and unutilised reinvestment allowance for which no deferred tax asset has been recognised in the statements of financial position are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Unutilised tax losses | | |
| - expiring by year of assessment 2025* | - | 8,350 |
| - expiring by year of assessment 2026* | 4,825 | 5,353 |
| -expiring by year of assessment 2027* | 3,108 | 3,448 |
| - expiring by year of assessment 2028* | 63,379 | 86,255 |
| - expiring by year of assessment 2029*^ | 1,566 | 24,613 |
| - expiring by year of assessment 2030^ | 617 | 596 |
| - expiring by year of assessment 2031^ | 570 | 7,040 |
| - expiring by year of assessment 2032^ | 2,253 | 2,247 |
| - expiring by year of assessment 2033^ | 219 | 219 |
| | 76,537 | 138,121 |
| Unabsorbed capital allowances | | |
| - no expiry period | 4,805 | 4,640 |
| Unutilised reinvestment allowance | | |
| - expiring not more than seven years | - | 5,599 |
| | 81,342 | 148,360 |

* Under Indonesia and Vietnam tax regulations, the unutilised tax losses can be carried forward for a maximum of 5 years following the years the losses were incurred.

^ In Malaysia, the time limit to carry forward unutilised tax losses of Malaysian companies is a maximum of 10 consecutive years of assessment.

The Global Minimum Tax

The Group is within the scope of OECD Pillar Two model rules. Pillar Two legislation came into effect from 1 January 2025. The Group applied the MFRS12 exception in recognising and disclosing information about the deferred tax assets and liabilities related to the Pillar Two income taxes. Under the legislation, the Group is liable to pay a top-up tax for the difference between the GloBE Effective Tax Rate for each jurisdiction and the 15% minimum rate. The Group except for Vietnam qualifies for Transitional Safe Harbour Rules for the current year. In Vietnam, based on the Group's assessment, there are no top up taxes.

## 9 EARNINGS PER SHARE ("EPS")

Basic EPS of the Group is calculated by dividing the profit attributable to the owners of the Company by the weighted average numbers of ordinary shares in issue during the financial year.

For the dilutive earnings per share calculation, the average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares for the Group are the exercise of ESOS Options by eligible Directors and employees of the Group.

The following table reflects the income and share data used in the basic EPS computations:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Profit attributable to the owners of the Company | 501,112 | 428,930 |
| Weighted average number of ordinary shares in issue ('000) | 3,568,796 | 3,649,689 |
| Basic and diluted EPS (sen) | 14.04 | 11.75 |

Diluted EPS

For the diluted earnings per ordinary share calculation, the average number of ordinary shares in issue is adjusted to assume conversation of all dilutive potential ordinary share.

The potential conversion of ESOS options are anti-dilutive as their exercise prices were higher than the average market price ('out of the money') of the Company's ordinary share during the financial year 2025 and 2024. Accordingly, the exercise of ESOS had been ignored in the calculation of dilutive earnings per share and the diluted earnings per ordinary share is the same as the basic earnings per ordinary share.

## 10 PROPERTY, PLANT AND EQUIPMENT

| Group | Freehold land RM'000 | Buildings RM'000 | Land improvement RM'000 | Plant and machinery RM'000 | Motor vehicles RM'000 | Furniture, fittings, equipment and renovation RM'000 | Construction-in-progress RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|
| Net book value | | | | | | | | |
| At 1 January 2025 | 355,584 | 1,352,411 | 24,141 | 570,531 | 62,801 | 179,385 | 138,412 | 2,683,265 |
| Additions | 17,824 | 51,672 | 8,094 | 91,481 | 33,503 | 37,010 | 226,682 | 466,266 |
| Disposals | - | (132) | - | (1,570) | (984) | (561) | - | (3,247) |
| Write-off | - | (1,376) | (179) | (1,140) | (108) | (690) | (3,084) | (6,577) |
| Foreign exchange differences | - | (92,288) | - | (26,036) | (3,729) | (6,380) | (6,159) | (134,592) |
| Reclassifications | - | 98,134 | 1,747 | 66,237 | 235 | 5,377 | (171,730) | - |
| Depreciation charge for the financial year | - | (76,997) | (1,374) | (119,369) | (21,662) | (42,606) | - | (262,008) |
| Impairment charge for the financial year | - | (172) | (490) | (67) | - | (6,174) | - | (6,903) |
| Reversal of impairment for the financial year | - | 13,016 | - | 3,024 | - | - | 1 | 16,041 |
| At 31 December 2025 | 373,408 | 1,344,268 | 31,939 | 583,091 | 70,056 | 165,361 | 184,122 | 2,752,245 |
| At 31 December 2025: | | | | | | | | |
| Cost | 373,408 | 2,275,615 | 40,852 | 1,749,368 | 276,652 | 554,908 | 184,207 | 5,455,010 |
| Accumulated depreciation | - | (926,066) | (8,366) | (1,164,175) | (206,596) | (369,078) | - | (2,674,281) |
| Accumulated impairment loss | - | (5,281) | (547) | (2,102) | - | (20,469) | (85) | (28,484) |
| Net book value | 373,408 | 1,344,268 | 31,939 | 583,091 | 70,056 | 165,361 | 184,122 | 2,752,245 |

## 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Group | Freehold land RM'000 | Buildings RM'000 | Land improvement RM'000 | Plant and machinery RM'000 | Motor vehicles RM'000 | Furniture, fittings, equipment and renovation RM'000 | Construction-in-progress RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|
| Net book value | | | | | | | | |
| At 1 January 2024 | 286,804 | 1,462,593 | 22,850 | 557,606 | 67,038 | 188,299 | 145,070 | 2,730,260 |
| Additions | 61,615 | 34,947 | 2,410 | 80,751 | 20,374 | 32,751 | 103,636 | 336,484 |
| Disposals | - | (23,278) | - | (548) | (249) | (476) | - | (24,551) |
| Write-off | - | (220) | - | (3,111) | (6) | (2,788) | (464) | (6,589) |
| Foreign exchange differences | (5,676) | (53,834) | - | (18,076) | (2,549) | (3,918) | (2,034) | (86,087) |
| Reclassifications | 2,478 | 19,681 | 47 | 74,604 | - | 10,986 | (107,796) | - |
| Transfer from investment properties (see Note 11) | 10,363 | - | - | - | - | - | - | 10,363 |
| Transfer from assets held for sale (see Note 23) | - | 9,925 | - | 1,491 | - | - | - | 11,416 |
| Depreciation charge for the financial year | - | (80,458) | (1,114) | (120,361) | (21,807) | (45,391) | - | (269,131) |
| Impairment charge for the financial year | - | (16,945) | (52) | (1,825) | - | (78) | - | (18,900) |
| At 31 December 2024 | 355,584 | 1,352,411 | 24,141 | 570,531 | 62,801 | 179,385 | 138,412 | 2,683,265 |
| At 31 December 2024: | | | | | | | | |
| Cost | 355,584 | 2,290,750 | 31,376 | 1,707,732 | 270,757 | 537,158 | 138,498 | 5,331,855 |
| Accumulated depreciation | - | (920,214) | (7,178) | (1,132,142) | (207,956) | (343,478) | - | (2,610,968) |
| Accumulated impairment loss | - | (18,125) | (57) | (5,059) | - | (14,295) | (86) | (37,622) |
| Net book value | 355,584 | 1,352,411 | 24,141 | 570,531 | 62,801 | 179,385 | 138,412 | 2,683,265 |

## 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Company | |
|---|---|---|
| | Furniture, fittings and office equipment RM'000 | Total RM'000 |
| **Net book value** | | |
| At 1 January 2024 | 2 | 2 |
| Depreciation charge for the financial year | (1) | (1) |
| At 31 December 2024/1 January 2025 | 1 | 1 |
| Additions | 11 | 11 |
| Depreciation charge for the financial year | (3) | (3) |
| At 31 December 2025 | 9 | 9 |
| **At 31 December 2025:** | | |
| Cost | 589 | 589 |
| Accumulated depreciation | (580) | (580) |
| Net book value | 9 | 9 |
| **At 31 December 2024:** | | |
| Cost | 578 | 578 |
| Accumulated depreciation | (577) | (577) |
| Net book value | 1 | 1 |

(a) As of 31 December 2025, certain property, plant and equipment of the Group with a net carrying value of RM317,823,000 (2024: RM750,801,000) were charged to licensed banks to secure credit facilities granted to the Group as disclosed in Note 32 to the financial statements.

## 10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) The Group assesses whether there is any indication of impairment at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

In performing the impairment assessment of the carrying amount of property, plant and equipment, the recoverable amount is determined using:

(i) value-in-use ("VIU") calculation. These calculations use pre-tax cash flow projections covering a five-year period approved by management. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates or lease term; or

(ii) fair value less cost. Fair value less cost to sell is determined based on estimates prepared by an independent property valuation expert. The fair value is estimated based on adjusted market comparison approach by reference to transacted prices for similar property. Adjusted market comparison considers location, land size, tenure and condition of the property.

During the financial year, the Group has recognised an impairment charge of RM6,903,000 and reversal of impairment charge of RM16,041,000 (2024: impairment charge of RM18,900,000) in its poultry and other related operations. The assessment was triggered due to the Group's net asset value being above the Group's market capitalisation.

(c) The following property, plant and equipment of the Group were acquired under hire purchase instalment plans (Note 32):

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Carrying amount | | |
| Plant and machinery | 19,229 | 12,900 |
| Motor vehicles | 21,199 | 20,425 |
| Furniture, fittings and equipment | 45 | 77 |
| | 40,473 | 33,402 |

(d) Additions of property, plant and equipment

Property, plant and equipment were acquired by the following means:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Cash payments | 450,013 | 332,635 |
| Unpaid balances included under other payables | 9,658 | 9,661 |
| Cash paid in respect of acquisitions in previous financial year | (9,661) | (9,624) |
| Financed by hire purchase | 16,256 | 3,812 |
| Additions of property, plant and equipment | 466,266 | 336,484 |

## 11 INVESTMENT PROPERTIES

| | Group<br>RM'000 |
|---|---|
| **Net book value** | |
| At 1 January 2024 | 40,245 |
| Additions | 1,483 |
| Transfer from property, plant and equipment (Note 10) | (10,363) |
| Depreciation charge for the financial year | (217) |
| At 31 December 2024/1 January 2025 | 31,148 |
| Additions | 5,688 |
| Depreciation charge for the financial year | (216) |
| At 31 December 2025 | 36,620 |
| **At 31 December 2025:** | |
| Cost | 47,108 |
| Accumulated depreciation | (10,488) |
| Net book value | 36,620 |
| **At 31 December 2024:** | |
| Cost | 41,420 |
| Accumulated depreciation | (10,272) |
| Net book value | 31,148 |

## 11 INVESTMENT PROPERTIES (CONTINUED)

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Fair values | 73,818 | 96,122 |

The property rental income earned by the Group from investment properties, certain of which are leased out under operating leases, amounted to RM1,569,000 (2024: RM1,374,000). Direct operating expenses arising from investment properties that are revenue-generating of the Group amounted to RM93,000 (2024: RM99,000).

The Group lease out some of its investment properties. The Group classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table set out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

| | 2025 | 2024 |
|---|---|---|
| | RM'000 | RM'000 |
| Group | | |
| Within 1 year | 1,560 | 1,584 |
| In the 2nd year | 1,143 | 1,557 |
| In the 3rd year | 164 | 1,023 |
| In the 4th year | 16 | 44 |
| In the 5th year | - | 35 |
| Total undiscounted lease payments | 2,883 | 4,243 |

## 12 RIGHT-OF-USE ASSETS

| Group | Leasehold land | Land use rights | Land from operating lease | Buildings | Plant and machinery | Total |
|---|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Carrying amount | | | | | | |
| At 1 January 2024 | 38,808 | 200,584 | 108,838 | 57,054 | 4,024 | 409,308 |
| Additions | - | 8,675 | 21,552 | 20,540 | 4,083 | 54,850 |
| Lease modification | - | - | 3,865 | - | - | 3,865 |
| Remeasurement* | - | - | - | 11,416 | - | 11,416 |
| Terminations | - | - | (20,386) | (1,191) | - | (21,577) |
| Foreign exchange differences | - | (12,796) | (5,807) | (2,180) | (904) | (21,687) |
| Depreciation charge for the financial year | (557) | (9,691) | (8,700) | (22,333) | (2,329) | (43,610) |
| Impairment charge for the financial year | - | (99) | - | - | - | (99) |
| At 31 December 2024/1 January 2025 | 38,251 | 186,673 | 99,362 | 63,306 | 4,874 | 392,466 |
| Additions | 2,258 | 7,624 | 10,709 | 19,654 | 7,793 | 48,038 |
| Lease modification | - | - | 1,989 | - | - | 1,989 |
| Remeasurement* | - | - | - | 112 | - | 112 |
| Terminations | - | - | - | (316) | - | (316) |
| Foreign exchange differences | - | (21,623) | (6,047) | (4,107) | (833) | (32,610) |
| Depreciation charge for the financial year | (580) | (8,952) | (9,612) | (22,706) | (3,932) | (45,782) |
| Impairment charge for the financial year | - | (870) | - | (255) | - | (1,125) |
| Reversal of impairment for the financial year | - | - | - | 131 | - | 131 |
| At 31 December 2025 | 39,929 | 162,852 | 96,401 | 55,819 | 7,902 | 362,903 |

* *Remeasurement refers to right-of-use assets that had exercised the option to extend the lease term during the financial year.*

Extension options are included in a number of leases across the group to maximise operational flexibility.

## 12 RIGHT-OF-USE ASSETS (CONTINUED)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. All lease agreements do not impose any covenants other than the specific use of certain leasehold land or land use rights.

| | Note | 2025 RM'000 | 2024 RM'000 |
|---|---|---|---|
| Interest expense (included in finance costs) | 7 | 7,695 | 9,018 |
| Expense relating to short-term leases (included in rental expenses) | 6 | 11,598 | 11,214 |
| Expense relating to leases of low value assets that are not shown above as short-term leases (included in rental expenses) | 6 | 350 | 455 |
| The total cash outflow for leases | | 55,688 | 48,099 |

Additions of right-of-use assets

Right-of-use assets were acquired by the following means:

| | 2025 RM'000 | 2024 RM'000 |
|---|---|---|
| Cash payments | 12,766 | 13,567 |
| Future lease payment included in lease liabilities | 35,068 | 41,008 |
| Provision for asset retirement obligation | 204 | 275 |
| Addition of right-of-use assets | 48,038 | 54,850 |

The Group assesses whether there is any indication of impairment at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use.

In performing the impairment assessment of the carrying amount of right-of-use assets, the recoverable amount is determined using:

(i) value-in-use ("VIU") calculation. These calculations use pre-tax cash flow projections covering a five-year period approved by management. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates or lease term; or

(ii) fair value less cost. Fair value less cost to sell is determined based on estimates prepared by an independent property valuation expert. The fair value is estimated based on adjusted market comparison approach by reference to transacted prices for similar property. Adjusted market comparison considers location, land size, tenure and condition of the property.

During the financial year, the Group has recognised an impairment charge of RM1,125,000 and reversal of impairment charge of RM131,000 (2024: impairment charge of RM99,000) in its other poultry related operations. The assessment was triggered due to the Group's net asset value being above the Group's market capitalisation.

## 13 INTANGIBLE ASSETS

| | Goodwill on consolidation RM'000 | Business customer RM'000 | Total RM'000 |
|---|---|---|---|
| **Group** | | | |
| **Cost** | | | |
| At 1 January 2024 | 110,604 | 11,812 | 122,416 |
| Translation differences | (2,873) | (648) | (3,521) |
| At 31 December 2024/1 January 2025 | 107,731 | 11,164 | 118,895 |
| Translation differences | (1,848) | (443) | (2,291) |
| At 31 December 2025 | 105,883 | 10,721 | 116,604 |
| **Less: Accumulated amortisation** | | | |
| At 1 January 2024 | - | 11,812 | 11,812 |
| Translation differences | - | (648) | (648) |
| At 31 December 2024/1 January 2025 | - | 11,164 | 11,164 |
| Translation differences | - | (443) | (443) |
| At 31 December 2025 | - | 10,721 | 10,721 |
| **Less: Accumulated impairment losses** | | | |
| At 1 January 2024 | 8,092 | - | 8,092 |
| Addition | 8,404 | - | 8,404 |
| At 31 December 2024/1 January 2025 | 16,496 | - | 16,496 |
| Addition | - | - | - |
| At 31 December 2025 | 16,496 | - | 16,496 |
| **Net carrying amount** | | | |
| At 31 December 2025 | 89,387 | - | 89,387 |
| At 31 December 2024 | 91,235 | - | 91,235 |

## 13 INTANGIBLE ASSETS (CONTINUED)

(i) Business customer relationship

Business customer relationship acquired in business combination are amortised over 5 years.

(ii) Goodwill on consolidation

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units that are expected to benefit from the business combination. The carrying amount of goodwill totalling RM89.4 million (2024: RM91.2 million) had been allocated to the following cash generating units ('CGUs') for the purpose of impairment testing.

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Malaysia | | |
| Manufacturing of animal feeds | 4,021 | 4,021 |
| Trading of animal health products | 3,115 | 3,115 |
| Poultry farming and breeding | 33,208 | 33,208 |
| Singapore | | |
| Processing and marketing of consumer products | 45,513 | 47,361 |
| Poultry farming and breeding | 3,530 | 3,530 |
| | 89,387 | 91,235 |

Impairment assessment for intangible assets in relation to the goodwill on consolidation

The impairment test was performed by comparing the cash-generating unit's carrying amount with its recoverable amount. The recoverable amount is determined using value-in-use calculations.

The recoverable amounts of the respective CGUs are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections covering a five-year period, based on the three-year financial budget which have been approved by the Directors and two-year forecast of the specific CGUs that the goodwill is allocated to. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates.

In the previous financial year, an impairment loss of RM8,404,000 was recognised in respect of goodwill CGU of an indirect subsidiary, Leong Hup Food Pte.Ltd.

Sensitivity

As at 31 December 2025 and 31 December 2024, the recoverable amount of CGUs above, except for Leong Hup Food Pte. Ltd., are estimated to exceed the carrying amounts and is not sensitive to any reasonable change in the key assumptions.

## 13 INTANGIBLE ASSETS (CONTINUED)

The key assumptions used in the value-in-use calculations are as follows:

Poultry farming and breeding

- The revenue growth rate and EBITDA margin is supported by management's approved budget and forecast, which is in line with past performance records, future market outlook and management's expectation of market developments.
- Pre-tax discount rate of 9.7% (2024: 9.7%) was applied, benchmarked against comparable companies at the date of assessment.
- A terminal growth rate 2.5% (2024: 2.5%) was applied.

Processing and marketing of consumer products

- The revenue growth rate and EBITDA margin is supported by management's forecasted projects, which is in line with past performance records, future market outlook and management's expectation of market developments.
- Pre-tax discount rate of 10.3% (2024: 12.0%) was applied, benchmarked against comparable companies at the date of assessment.
- A terminal growth rate 3.0% (2024: 3.0%) was applied.

## 14 INVESTMENT IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Unquoted shares, at cost | 1,587,687 | 1,547,687 |
| Capital contribution to subsidiaries – ESOS Options | 14,229 | 12,088 |
| | 1,601,916 | 1,559,775 |

The subsidiaries (all incorporated in Malaysia unless otherwise indicated) are as follows:

| Name of the Company | Effective percentage of ownership | | Principal activities |
|---|---|---|---|
| | 2025 | 2024 | |
| | % | % | |
| **Direct subsidiaries** | | | |
| Leong Hup (Malaysia) Sdn. Bhd.* | 100.00 | 100.00 | Investment holding |
| United Global Resources Limited* | 100.00 | 100.00 | Investment holding |
| Leong Hup Singapore Pte. Ltd.# (Incorporated in Singapore) | 100.00 | 100.00 | Investment holding |
| Dragon Amity Pte. Ltd.# (Incorporated in Singapore) | 100.00 | 100.00 | Investment holding and trading of packaging materials and stationery equipment |
| Leong Hup Corporate Services Sdn. Bhd.* | 100.00 | 100.00 | Management services provider |
| Leong Hup (Philippines), Inc# (Incorporated in the Philippines) | 100.00 | 100.00 | Raising, breeding, cross breeding, fattening and pasturing of poultry and similar stocks and producer of animal feeds and pre-mix for livestock animals |
| Leong Hup Myanmar Co., Ltd & (Incorporated in Myanmar) | 100.00 | 100.00 | Dormant |
| **Indirect subsidiaries** | | | |
| Leong Hup Poultry Farm Sdn. Bhd.* | 100.00 | 100.00 | Provision of farming related services |
| Leong Hup Broiler Farm Sdn. Bhd.* | 100.00 | 100.00 | Provision of farming related services and investment holding |
| Leong Hup (G.P.S.) Farm Sdn. Bhd.* | 100.00 | 100.00 | Provision of farming related services and investment holding |

## 14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| Leong Hup Agrobusiness Sdn. Bhd.* | 100.00 | 100.00 | Production and distribution of breeder and broiler day-old-chick, broiler chicken, animal feeds and consumer food products and operating of food, beverages and bakery retail outlets |
| Leong Hup Capital Sdn. Bhd.* | 100.00 | 100.00 | Funding vehicle, investment advisory services, other financial activities except insurance/takaful and pension funding |
| The Baker's Cottage Sdn. Bhd.^ | 100.00 | 100.00 | Manufacturing, trading and distribution of food products |
| Baker's Cottage Training Academy Sdn. Bhd.^ | 100.00 | 100.00 | Provision of training and consultancy services |
| Selasih Prospek Sdn. Bhd.^ | 100.00 | 100.00 | Bakery, cafeteria and restaurant and retailing of confectionery food products |
| Ayam A1 Food Corporation Sdn. Bhd.* | 100.00 | 100.00 | Provision of manufacturing related services and investment holding |
| Leong Hup Feedmill Malaysia Sdn. Bhd. * | 100.00 | 100.00 | Manufacturing and marketing of animal feeds |
| Ladang Ternakan Maju Sdn. Bhd.* | 100.00 | 100.00 | Provision of farming related services and investment holding |
| Advantage Valuations Sdn. Bhd.* | 51.00 | 51.00 | Investment holding |
| F. E. Venture Sdn. Bhd.^ | 51.00 | 51.00 | Trading of animal feeds and veterinary products |

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| Leong Hup Ruminant Farm Sdn. Bhd.* | 100.00 | 100.00 | Investment holding |
| Leong Hup Feedmill Sdn. Bhd.* | 100.00 | 100.00 | Provision of manufacturing related services |
| Sri Medan Duck Farm Sdn. Bhd.* | 100.00 | 100.00 | Provision of farming related services |
| Beaming Agrotrade Sdn. Bhd.* | 100.00 | 100.00 | Investment holding |
| The Baker's Cottage Restaurant Sdn. Bhd^ | 100.00 | 100.00 | Operating a restaurant dealing with food and beverage |
| Ayam A1 Food Processing Sdn. Bhd.* | 100.00 | 100.00 | Provision of manufacturing related services |
| Goldkist Breeding Farms Sdn. Bhd.* | 100.00 | 100.00 | Provision of farming related services and investment holding |
| J.B. Kim Farm Sdn. Bhd.* | 51.00 | 51.00 | Rearing of broiler chicken for sales |
| Mighty Farms Sdn. Bhd.* | 51.00 | 51.00 | Rearing of broiler chicken for sales |
| Exclusive Treasures Sdn. Bhd.* | 100.00 | 100.00 | Rearing of broiler chicken for sales |
| Ternakan Emas Sdn. Bhd.* | 100.00 | 100.00 | Dormant |
| Golden Egg Sdn. Bhd.* | 100.00 | 100.00 | Dormant |

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| Farm Excel Distribution Sdn. Bhd.^ | 51.00 | 51.00 | Exporter, importer and distribution of pharmaceutical and veterinary products |
| Laboratorios Reveex (Asia) Sdn. Bhd.^ | 26.01 | 26.01 | Trading of veterinary products |
| Leong Hup Aquaculture Sdn. Bhd.* | 100.00 | 100.00 | Sales of aquaculture produce |
| Teo Seng Capital Berhad*[a] | 29.60 | 29.19 | Investment holding and provision of management services |
| Teo Seng Farming Sdn. Bhd.* | 29.60 | 29.19 | Investment holding, poultry farming, processing, wholesale, retailing and distribution of eggs and related poultry products, manufacturing and marketing of fertilisers |
| Teo Seng Paper Products Sdn. Bhd.* | 29.60 | 29.19 | Manufacturing and marketing of egg trays |
| Teo Seng Feedmill Sdn. Bhd.* | 29.60 | 29.19 | Manufacturing and marketing of animal feeds |
| Ritma Prestasi Sdn. Bhd.* | 29.60 | 29.19 | Distribution of pet food, medicine and other animal health related products |
| Professional Vet Enterprise Sdn. Bhd.* | 29.60 | 29.19 | Distribution of pet food, medicine and other animal health related products |
| Success Century Sdn. Bhd.* | 29.60 | 29.19 | Planting, trading and processing of fruits and related products. The subsidiary has ceased its business operations relating to the management and renting of poultry related properties in 2025. |
| B-Tech Aquaculture Sdn. Bhd.* | 29.60 | 29.19 | Dormant - under members' voluntary winding up process |

## 14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| Laskar Fertiliser Sdn. Bhd.* | 29.60 | 29.19 | The subsidiary has ceased its business operations relating to the management and renting of poultry related properties in 2025. |
| Teo Seng Integrated Farming Sdn. Bhd. * | 29.60 | 29.19 | Poultry farming, manufacturing and marketing of animal feed, fertilizer and related poultry products - yet to commence operations and under members' voluntary winding up process |
| Trendata Science Sdn. Bhd.* | 19.24 | 18.97 | Provision of services, sales, research and development of poultry farming related intelligent machinery, equipment and robot |
| Premium Egg Products Pte. Ltd.^# (Incorporated in Singapore) | 29.60 | 29.19 | Wholesaler, importers, exporters of eggs products |
| BH Fresh Food Pte. Ltd.^# (Incorporated in Singapore) | 29.60 | 29.19 | To carry on business of provide cold room services and other investment holding including renting of factory space to derive rental income. |
| Ritma Premier Pte. Ltd.^# (Incorporated in Singapore) | 29.60 | 29.19 | Distribution of pet food, medicine and other animal health related products. |
| Leong Hup Agriculture (Desaru) Sdn. Bhd.* | 60.00 | 60.00 | Plantation of coconut and pineapple |
| Ideal Multifeed (Malaysia) Sdn. Bhd.* | 100.00 | 100.00 | Renting of animal feeds operations |

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| Jaco Nutrimix Sdn. Bhd.* | 100.00 | 100.00 | Dormant - under members' voluntary winding up process |
| Prima Anjung Sdn. Bhd.* | 100.00 | 100.00 | Duck breeding |
| New Soon Teng Poultry Sdn. Bhd.* | 60.00 | 60.00 | Poultry farming and trading of broiler chicken |
| Emivest Feedmill Vietnam Co., Limited# (Incorporated in Vietnam) | 100.00 | 100.00 | Operating poultry hatcheries and breeder farms and producing animal and poultry feed, manufacture pharmaceuticals, medicinal chemical, botanical products and disinfectant |
| Emivest Feedmill (TG) Vietnam Limited Liability Company# (Incorporated in Vietnam) | 100.00 | 100.00 | Operating chicken breeding farm, producing animal, poultry and aqua feed and operating layer farm |
| Leong Hup Feedmill Vietnam Limited Liability Company# (Incorporated in Vietnam) | 100.00 | 100.00 | Producing animal, poultry and aquatic feed |
| Leong Hup (Cambodia) Limited^ (Incorporated in Cambodia) | 100.00 | 100.00 | Trading of animals feed |
| Lee Say Group Pte. Ltd.# (Incorporated in Singapore) | 100.00 | 100.00 | Slaughtering, processing and sale of fresh and frozen poultry and investment holding |

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| Tasty Meat Products Pte. Ltd.^ (Incorporated in Singapore) | 80.00 | 80.00 | Manufacturer, importers, exporters, stores and packers of processed meats |
| Kendo Trading Pte. Ltd. # (Incorporated in Singapore) | 51.00 | 51.00 | Slaughtering, processing and sale of fresh and frozen poultry products |
| Heng Kai Hock Farm Sdn. Bhd.* | 100.00 | 100.00 | Poultry farming and related products |
| Lee Say Breeding Farm Sdn. Bhd.* | 100.00 | 100.00 | Provision of farming related services and investment holding |
| Wang Xiang Shun Food Industry Pte. Ltd.^ (Incorporated in Singapore) | 26.01 | 26.01 | Production, processing and preserving of meat and meat products |
| Hup Heng Poultry Industries Pte. Ltd.# (Incorporated in Singapore) | 67.18 | 67.18 | Slaughtering of poultry, wholesale, processing and preserving of meat and meat product |

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| ES Food International Pte. Ltd.# (Incorporated in Singapore) | 100.00 | 100.00 | Investment holding |
| Leong Hup Food Pte.Ltd.# (Incorporated in Singapore) | 100.00 | 100.00 | General importers and distributor of chickens and other meat products |
| Safa Gourmet Food Pte. Ltd.# (Incorporated in Singapore) | 100.00 | 100.00 | Halal meat processing, manufacturing, wholesale and retail |
| Soonly Food Processing Industries Pte. Ltd.# (Incorporated in Singapore) | 100.00 | 100.00 | Slaughtering, processing and sale of fresh and frozen poultry |
| Prestige Fortune Sdn. Bhd.* | 60.00 | 60.00 | Investment holding, poultry farming and trading of related products |
| Prestige Fortune (S) Pte. Ltd.# (Incorporated in Singapore) | 60.00 | 60.00 | Wholesale and distribution of poultry |
| Leong Hup Distribution Pte Ltd # (Incorporated in Singapore) | 100.00 | 100.00 | General trading of frozen food products and provision of warehousing activities |
| My-Kando Food Industries Sdn. Bhd.* | 100.00 | 100.00 | Poultry farming, rental of chicken coops and related activities |

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

| Name of the Company | Effective percentage of ownership 2025 % | 2024 % | Principal activities |
|---|---|---|---|
| Indirect subsidiaries (continued) | | | |
| PT Malindo Feedmill Tbk #β (Incorporated in Indonesia) | 58.02 | 57.80 | Investment holding, poultry feed industry and day-old-chick farming |
| PT Bibit Indonesia # (Incorporated in Indonesia) | 57.96 | 57.74 | Broiler grandparent stock farming |
| PT Prima Fajar # (Incorporated in Indonesia) | 58.01 | 57.79 | Broiler chicken farming |
| PT Leong Ayamsatu Primadona # (Incorporated in Indonesia) | 58.01 | 57.79 | Day-old-chick and broiler chicken farming |
| PT Malindo Food Delight # (Incorporated in Indonesia) | 58.01 | 57.79 | Processing and preserving of meat |
| PT Quality Indonesia & (Incorporated in Indonesia) | 40.60 | 40.45 | Dormant |
| PT Mitra Bebek Persada # (Incorporated in Indonesia) | 57.93 | 57.71 | Duck farming, slaughter house and packaging of poultry meat |
| Leong Hup Foods (Philippines), Inc^ (Incorporated in the Philippines) | 100.00 | 100.00 | Processing, packaging and distributing all kinds of livestock products |

* Audited by PricewaterhouseCoopers PLT, Malaysia
\# Audited by member firms of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.
^ Audited by a firm other than member firm of PricewaterhouseCoopers International Limited.
& Unaudited – no statutory audit requirements
α Listed on Main Market of Bursa Malaysia Securities Berhad
β Listed on Indonesia Stock Exchange

## 14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests

Non-controlling interests ('NCI') of the Group were mainly attributed to Teo Seng Capital Berhad ('Teo Seng'), Lee Say Group Pte. Ltd. ('Lee Say') and PT Malindo Feedmill Tbk ('PT Malindo').

Set out below are the summarised financial information for Teo Seng, Lee Say and PT Malindo that has NCI that are material to the Group. The below financial information is based on amounts before inter-company eliminations.

| | Teo Seng<br>RM'000 | Lee Say<br>RM'000 | PT Malindo<br>RM'000 |
|---|---|---|---|
| 2025 | | | |
| Effective interest of ordinary shares and voting shares held by NCI (%) | 70.40 | ^ | 41.98 |
| **Summarised statements of comprehensive income:** | | | |
| Revenue | 735,877 | 369,119 | 3,282,311 |
| Net profit for the financial year | 142,074 | 21,893 | 111,348 |
| Total comprehensive income | 140,996 | 21,893 | (19,956) |
| Attributable to NCI: | | | |
| Net profit for the financial year | 100,020 | 8,312 | 46,744 |
| Total comprehensive income | 99,261 | 8,312 | (8,378) |
| Dividends paid to NCI | 13,279 | - | 15,700 |
| **Summarised statements of financial position:** | | | |
| Non-current assets | 499,292 | 60,851 | 576,060 |
| Current assets | 470,502 | 277,856 | 746,446 |
| Non-current liabilities | (84,214) | (16,906) | (112,410) |
| Current liabilities | (169,906) | (60,962) | (564,295) |
| Net assets | 715,674 | 260,839 | 645,801 |
| Attributable to: | | | |
| - owners of the Company | 211,840 | 159,485 | 374,694 |
| - non-controlling interests | 503,834 | 101,354 | 271,107 |
| | 715,674 | 260,839 | 645,801 |

## 14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests (continued)

Set out below are the summarised financial information for Teo Seng, Lee Say and PT Malindo that has NCI that are material to the Group. The below financial information is based on amounts before inter-company eliminations. (continued)

| | Teo Seng<br>RM'000 | Lee Say<br>RM'000 | PT Malindo<br>RM'000 |
|---|---|---|---|
| 2025 | | | |
| **Summarised statements of cash flows:** | | | |
| Cash flows from operating activities | 153,792 | 46,287 | 215,642 |
| Cash flows from investing activities | (85,754) | (27,778) | (96,219) |
| Cash flows from financing activities | (10,424) | (10,226) | (77,439) |
| Net movement in cash and cash equivalents | 57,614 | 8,283 | 41,984 |
| Effects of exchange rate changes on cash and cash equivalents | (975) | (4,107) | (12,081) |
| Cash and cash equivalents at 1 January | 126,843 | 28,946 | 82,889 |
| Cash and cash equivalents at 31 December | 183,482 | 33,122 | 112,792 |

^ The NCI disclosed in the financial year ended 31 December 2025 relates to certain subsidiaries of Lee Say Group Pte. Ltd. which are not wholly owned. The disclosure is in respect of Hup Heng Poultry Industries Pte. Ltd. (NCI effective interest of 32.82%), Kendo Trading Pte. Ltd. (NCI effective interest of 49.00%) and Prestige Fortune Sdn. Bhd. (NCI effective interest of 40.00%).

## 14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests (continued)

Set out below are the summarised financial information for Teo Seng, Lee Say and PT Malindo that has NCI that are material to the Group. The below financial information is based on amounts before inter-company eliminations. (continued)

| | Teo Seng<br>RM'000 | Lee Say<br>RM'000 | PT Malindo<br>RM'000 |
|---|---|---|---|
| 2024 | | | |
| Effective interest of ordinary shares and voting shares held by NCI (%) | 70.81 | ^ | 42.20 |
| **Summarised statements of comprehensive income:** | | | |
| Revenue | 753,771 | 396,049 | 3,588,025 |
| Net profit for the financial year | 183,361 | 28,862 | 133,600 |
| Total comprehensive income | 181,265 | 28,862 | 91,681 |
| Attributable to NCI: | | | |
| Net profit for the financial year | 129,838 | 12,085 | 56,379 |
| Total comprehensive income | 128,354 | 12,085 | 38,689 |
| Dividends paid to NCI | 26,348 | 3,140 | - |
| **Summarised statements of financial position:** | | | |
| Non-current assets | 438,765 | 64,018 | 637,252 |
| Current assets | 399,381 | 303,559 | 789,020 |
| Non-current liabilities | (66,076) | (12,733) | (182,988) |
| Current liabilities | (159,571) | (69,670) | (579,986) |
| Net assets | 612,499 | 285,174 | 663,298 |
| Attributable to: | | | |
| - owners of the Company | 178,788 | 169,060 | 383,386 |
| - non-controlling interests | 433,711 | 116,114 | 279,912 |
| | 612,499 | 285,174 | 663,298 |

## 14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests (continued)

Set out below are the summarised financial information for Teo Seng, Lee Say and PT Malindo that has NCI that are material to the Group. The below financial information is based on amounts before inter-company eliminations. (continued)

| | Teo Seng<br>RM'000 | Lee Say<br>RM'000 | PT Malindo<br>RM'000 |
|---|---|---|---|
| 2024 | | | |
| **Summarised statements of cash flows:** | | | |
| Cash flows from operating activities | 163,311 | 169,103 | 306,514 |
| Cash flows from investing activities | (71,532) | (688) | (47,439) |
| Cash flows from financing activities | (62,299) | (157,013) | (255,898) |
| Net movement in cash and cash equivalents | 29,480 | 11,402 | 3,177 |
| Effects of exchange rate changes on cash and cash equivalents | (1,573) | (4,491) | (4,436) |
| Cash and cash equivalents at 1 January | 98,936 | 22,035 | 84,148 |
| Cash and cash equivalents at 31 December | 126,843 | 28,946 | 82,889 |

^ The NCI disclosed in the financial year ended 31 December 2024 relates to certain subsidiaries of Lee Say Group Pte. Ltd. which are not wholly owned. The disclosure is in respect of Hup Heng Poultry Industries Pte. Ltd. (NCI effective interest of 32.82%), Kendo Trading Pte. Ltd. (NCI effective interest of 49.00%) and Prestige Fortune Sdn. Bhd. (NCI effective interest of 45.00%).

## 14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

31 December 2025

Changes of investment in a subsidiary

During the financial year, TSC acquired 8,168,200 of its own ordinary shares for cash consideration of RM8,494,587.

The effective equity interest of the Company in TSC increased from 29.19% to 29.60%.

During the financial year, PT Malindo acquired 8,252,500 of its own ordinary shares for cash consideration of RM1,604,591.

The effective equity interest of the Company in PT Malindo increased from 57.80% to 58.02%.

31 December 2024

Changes of investment in a subsidiary

On 15 April 2024, an indirect subsidiary, Teo Seng Capital Berhad ("TSC"), a public listed company on Bursa Malaysia, distributed 4,301,313 of its treasury shares via share dividend distribution of treasury shares on the basis of one (1) share dividend for every sixty seven (67) existing ordinary shares held in TSC in respect of the financial year ended 31 December 2024.

For the period from 22 November 2024 to 19 December 2024, TSC acquired 1,729,300 of its own ordinary shares for cash consideration of RM3,019,782.

The effective equity interest of the Company in TSC decreased from 29.44% to 29.19%.

## 15 INVESTMENT IN ASSOCIATES

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| At cost: | | |
| Unquoted shares | 1,589 | 1,407 |
| Share of post-acquisition results (net of dividends received) | 1,095 | 410 |
| Translation differences | (38) | (7) |
| | 2,646 | 1,810 |

## 15 INVESTMENT IN ASSOCIATES (CONTINUED)

Details of associates are as follows:

| Name of entity | Place of business and country of incorporation | % of ownership interest | Nature of the relationship | Measurement method |
|---|---|---|---|---|
| Indahgrains Logistics Sdn. Bhd.^ | Malaysia | 22.25% | Note 1 | Equity |
| Greatmammoth Properties, Inc. # | The Philippines | 40.00% | Note 2 | Equity |
| CTS Biogas Sdn. Bhd.^ | Malaysia | 49.00% | Note 3 | Equity |

^ Not audited by PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)
# Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia

Note 1: Indahgrains Logistics Sdn. Bhd. ("Indahgrains Logistics") operates a warehouse and provide warehouse management services. Indahgrains Logistics is a strategic partner for the Group, providing warehousing service to the Group.

Note 2: Greatmammoth Properties, Inc. engages in the business of acquiring by purchase, lease or otherwise, and to own, use, improve, manage, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for agricultural, commercial, industrial, investment or other purposes.

Note 3: CTS Biogas Sdn. Bhd. engages in the operation of power generation facilities that produce electrical energy.

The associates are private companies and there is no quoted market price available for its shares.

Set out below are the reconciliation of associates, which are accounted for using the equity method.

| | Associates | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| **Reconciliation:** | | |
| At 1 January | 1,810 | 1,674 |
| Group's share of profit for the financial year | 685 | 356 |
| Additions | 182 | - |
| Dividend | - | (204) |
| Translation differences | (31) | (16) |
| At 31 December | 2,646 | 1,810 |

There are no contingent liabilities relating to the Group's interest in the associates.

## 16 DEFERRED TAXATION

Deferred tax assets and liabilities were offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting are shown on the statements of financial position.

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Deferred tax assets | 53,249 | 63,597 |
| Deferred tax liabilities | (160,116) | (150,582) |
| At 31 December | (106,867) | (86,985) |

The movement in the deferred tax assets and liabilities during the financial year is as follow:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| At 1 January | (86,985) | (69,397) |
| Credited/(Charged) to profit or loss (Note 8) | | |
| - Property, plant and equipment | (4,602) | 6,775 |
| - Employee benefit obligation | 1,147 | 1,229 |
| - Unutilised tax losses | 871 | (11,770) |
| - Trade and other receivables | 769 | 1,635 |
| - Trade and other payables | (1,264) | 6,272 |
| - Right-of-use assets | 167 | (64) |
| - Biological assets | (8,976) | (16,196) |
| - Others | (493) | (1,103) |
| | (12,381) | (13,222) |
| Translation differences | (7,403) | (4,232) |
| Credit to other comprehensive income | (98) | (134) |
| At 31 December | (106,867) | (86,985) |

## 16 DEFERRED TAXATION (CONTINUED)

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Subject to income tax: | | |
| Deferred tax assets (before offsetting): | | |
| - Property, plant and equipment | 16,817 | 20,131 |
| - Employee benefit obligation | 8,419 | 8,458 |
| - Unutilised tax losses | 10,275 | 12,672 |
| - Trade and other receivables | 10,904 | 5,288 |
| - Trade and other payables | 10,668 | 12,886 |
| - Biological assets | 2,899 | 5,729 |
| - Lease liabilities | 8,736 | 9,358 |
| | 68,718 | 74,522 |
| Offsetting | (15,469) | (10,925) |
| Deferred tax assets (after offsetting) | 53,249 | 63,597 |
| Deferred tax liabilities (before offsetting): | | |
| - Property, plant and equipment | (137,885) | (132,056) |
| - Investment properties | (644) | (644) |
| - Trade and other receivables | (134) | (195) |
| - Right-of-use assets | (9,504) | (10,247) |
| - Biological assets | (23,937) | (17,269) |
| | (172,104) | (160,411) |
| Offsetting | 15,469 | 10,925 |
| Deferred tax liabilities (after offsetting) | (156,635) | (149,486) |
| Subject to real property gain tax: | | |
| Deferred tax liabilities | | |
| - Property, plant and equipment | (3,481) | (1,096) |
| | (160,116) | (150,582) |

## 17 BIOLOGICAL ASSETS

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| At fair value less cost to sell: | | |
| Breeders (grandparent stock) | 39,948 | 38,552 |
| Breeders (parent stock) | 242,449 | 240,494 |
| Commercial layers | 179,402 | 152,541 |
| Broilers | 72,142 | 69,123 |
| Hatching eggs | 87,951 | 68,491 |
| Others | 2,415 | 2,562 |
| | 624,307 | 571,763 |

The movement of biological assets can be analysed as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Breeders (grandparent stock) | | |
| At 1 January | 38,552 | 41,414 |
| Additions | 41,300 | 39,044 |
| Change in fair value | 1,767 | (1,222) |
| Livestock losses | (6,051) | (5,569) |
| Depopulation | (34,124) | (33,990) |
| Foreign currency translation | (1,496) | (1,125) |
| At 31 December | 39,948 | 38,552 |
| Breeders (parent stock) | | |
| At 1 January | 240,494 | 248,719 |
| Additions | 88,506 | 88,683 |
| Change in fair value | 110,713 | 119,108 |
| Livestock losses | (34,503) | (38,081) |
| Depopulation | (144,935) | (167,964) |
| Foreign currency translation | (17,826) | (9,971) |
| At 31 December | 242,449 | 240,494 |

## 17 BIOLOGICAL ASSETS (CONTINUED)

The movement of biological assets can be analysed as follows: (continued)

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| **Commercial layers** | | |
| At 1 January | 152,541 | 93,313 |
| Additions | 24,409 | 23,092 |
| Change in fair value | 88,702 | 95,443 |
| Livestock losses | (11,238) | (4,613) |
| Depopulation | (71,742) | (53,296) |
| Foreign currency translation | (3,270) | (1,398) |
| At 31 December | 179,402 | 152,541 |
| **Broilers** | | |
| At 1 January | 69,123 | 63,419 |
| Additions | 271,911 | 263,642 |
| Change in fair value | 399,575 | 259,102 |
| Livestock losses | (50,417) | (38,621) |
| Sales of live birds | (612,625) | (474,966) |
| Foreign currency translation | (5,425) | (3,453) |
| At 31 December | 72,142 | 69,123 |
| **Hatching eggs** | | |
| At 1 January | 68,491 | 65,622 |
| Additions | 980,849 | 881,488 |
| Discarded eggs | (254,561) | (243,190) |
| Sales of hatching eggs and day-old-chick | (701,172) | (632,856) |
| Foreign currency translation | (5,656) | (2,573) |
| At 31 December | 87,951 | 68,491 |
| Others | 2,415 | 2,562 |
| | 624,307 | 571,763 |

## 17 BIOLOGICAL ASSETS (CONTINUED)

An analysis of the estimates of physical quantities of the Group's livestock measured at fair value less cost to sell as at year end are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | birds('000) | birds('000) |
| Livestock | | |
| - Layers | 9,383 | 8,689 |
| - Breeders | 5,755 | 5,196 |
| - Broilers | 16,051 | 13,203 |

An analysis of the estimates of yearly output of the Group's produced throughout the financial year are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| Livestock | | |
| - Layers ('000 eggs) | 2,179,313 | 2,040,780 |
| - Breeders ('000 DOC)* | 649,969 | 624,844 |
| - Broilers ('000 kg) | 305,963 | 284,075 |

**DOC: Day-old-chick*

The estimates of physical quantities of biological assets and their yearly output of agriculture produce were based on experience and historical data.

## 17 BIOLOGICAL ASSETS (CONTINUED)

The Group has classified its biological assets measured at fair value within Level 3 of the fair value hierarchy (See Note 45). The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation mode.

| Description of valuation technique and input used | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurements |
|---|---|---|
| Breeders<br>Discounted cash flows:<br>The valuation method considers the expected number of DOC produced, expected selling price of DOC or hatching egg over the life of the breeders, taking into account of the estimated growing and farming costs and the mortality rate. | • Estimated selling price of DOC or hatching egg based on management's estimate by reference to historical selling price adjusted for abnormal market movements. | The higher the estimated selling price, the higher the fair value. |
| | • Management's estimate of feed and other variable costs expected to be incurred over the life span. | The higher the costs, the lower the fair value. |
| Commercial Layers<br>Discounted cash flows:<br>The valuation method considers the expected number of table egg produced, expected selling price of table eggs, taking into account of the estimated growing and farming costs and the mortality rate. | • Estimated selling price of table eggs based on management's estimate by reference to historical selling price adjusted for abnormal market movements. | The higher the estimated selling price, the higher the fair value. |
| | • Management's estimate of feed and other variable costs expected to be incurred over the life span. | The higher the costs, the lower the fair value. |
| | • Number of table eggs referenced to historical egg produced. | The higher the number of eggs, the higher the fair value. |
| Broilers<br>Discounted cash flows:<br>The valuation method considers the estimated selling price and weight of the broilers taking into account of the estimated growing and farming costs and the mortality rate. | • Estimated recent selling prices of broiler. | The higher the estimated selling price, the higher the fair value. |
| | • Management's estimate of feed and other variable costs expected to be incurred over the life span. | The higher the costs, the lower the fair value. |
| Hatching eggs<br>Discounted cash flows:<br>The valuation method considers selling price of DOC or hatching egg, taking into account of expected hatchery costs and the hatching eggs' hatchability. | • Expected recent selling prices of DOC and hatching egg. | The higher the estimated selling price, the higher the fair value. |

## 17 BIOLOGICAL ASSETS (CONTINUED)

The key assumptions used in the fair value calculation are as follows:

| | 2025<br>RM'000 | 2024<br>RM'000 |
|---|---|---|
| Breeders and hatching eggs | | |
| Projected selling price of | | |
| - DOC (parent stock) | 13.78 - 20.13 | 15.73 - 17.83 |
| - Hatching egg (parent stock) | - | 5.05 - 5.64 |
| - DOC (broiler/layer) | 1.48 - 4.41 | 1.57 - 4.28 |
| Feed cost per kg for | | |
| - grandparent stocks | 1.89 - 2.90 | 2.55 - 3.17 |
| - parent stocks | 1.84 - 2.48 | 1.97 - 2.65 |
| Commercial layers | | |
| Projected selling prices for table eggs per egg | 0.33 - 0.47 | 0.35 - 0.47 |
| Number of table eggs produced by each layer | 326 - 468 | 326 - 432 |
| Feed cost per kg | 1.60 – 2.11 | 1.74 - 2.10 |
| Broilers | | |
| Projected selling prices for broilers per kg | 5.27 - 12.54 | 5.54 - 12.07 |
| Feed cost per kg | 1.77 – 2.53 | 1.94 - 2.72 |

### Sensitivity analysis

Sensitivity analysis of biological assets fair value to the possible changes in the key assumptions are disclosed in the table below:

| | Effect on fair value of biological asset | | | |
|---|---|---|---|---|
| | Projected selling prices of DOC/table eggs/broilers | | Feed cost per kg | |
| | 2025<br>RM'000 | 2024<br>RM'000 | 2025<br>RM'000 | 2024<br>RM'000 |
| Commercial layers | | | | |
| - increased by 10% (2024: 10%) | 59,134 | 51,259 | (27,289) | (28,368) |
| - decreased by 10% (2024: 10%) | (59,134) | (51,259) | 27,289 | 28,368 |
| Breeders | | | | |
| - increased by 10% (2024: 10%) | 59,601 | 54,767 | (12,373) | (12,753) |
| - decreased by 10% (2024: 10%) | (59,601) | (54,767) | 12,373 | 12,753 |
| Others | | | | |
| - increased by 10% (2024: 10%) | 36,152 | 32,434 | (6,095) | (5,469) |
| - decreased by 10% (2024: 10%) | (36,152) | (32,434) | 6,095 | 5,469 |

## 17 BIOLOGICAL ASSETS (CONTINUED)

In respect of other variables, a reasonable possible change in the assumptions used will not result in any material change to the fair valuation of biological assets.

As at 31 December 2025, certain biological assets of the Group amounting to RM76,897,000 (2024: RM86,701,000) were charged to licensed banks to secure credit facilities granted to the Group as disclosed in Note 32 to the financial statements.

## 18 INVENTORIES

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Processed chickens and trading stocks | 86,549 | 121,389 |
| Poultry feeds | 58,675 | 57,381 |
| Consumable supplies | 92,854 | 99,997 |
| Raw material | 487,359 | 677,550 |
| Work-in-progress | 3,633 | 3,459 |
| Others | 6,913 | 8,824 |
| | 735,983 | 968,600 |

As at 31 December 2025, certain inventories of the Group amounting to RM80,621,000 (2024: RM96,625,000) were charged to licensed banks to secure credit facilities granted to the Group as disclosed in Note 32 to the financial statements.

## 19 TRADE RECEIVABLES

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Trade receivables | 475,465 | 529,070 |
| Amounts due from related parties | 149,087 | 139,143 |
| | 624,552 | 668,213 |
| Less: Provision for impairment of trade receivables | (33,231) | (45,042) |
| | 591,321 | 623,171 |

Amounts due from related parties are receivables from companies controlled by the Lau family.

As at 31 December 2025, certain trade receivables of the Group amounting to RM55,058,000 (2024: RM79,176,000) were charged to licensed banks to secure credit facilities granted to the Group as disclosed in Note 32 to the financial statements.

## 19 TRADE RECEIVABLES (CONTINUED)

Movements of the Group's impairment losses on trade receivables are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| At 1 January | 45,042 | 43,381 |
| Impairment loss (reversed)/recognised | (2,224) | 9,180 |
| Impairment loss written off | (5,198) | (4,535) |
| Translation differences | (4,389) | (2,984) |
| At 31 December | 33,231 | 45,042 |

Trade receivables that are individually determined to be impaired at the end of each reporting period relate to those receivables that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

## 20 OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current | | | | |
| Other receivables | 49,019 | 37,598 | 16,698 | 10,755 |
| Deposits | 38,570 | 26,017 | - | - |
| | 87,589 | 63,615 | 16,698 | 10,755 |
| Less: Impairment losses | (698) | (352) | - | - |
| | 86,891 | 63,263 | 16,698 | 10,755 |
| GST/VAT receivable | 1,770 | 1,836 | - | - |
| Prepaid expenses | 26,888 | 24,084 | 95 | 97 |
| Advances to suppliers | 103,756 | 75,902 | - | - |
| | 219,305 | 165,085 | 16,793 | 10,852 |

## 20 OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (CONTINUED)

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current | | | | |
| Deposits | 5,275 | 5,472 | - | - |
| Prepaid expenses | 3,123 | 882 | - | - |
| Advances | 9,697 | 6,649 | - | - |
| | 18,095 | 13,003 | - | - |
| | 237,400 | 178,088 | 16,793 | 10,852 |

As at 31 December 2025, certain other receivables of the Group amounting to RM9,710,000 (2024: RM6,604,000) were charged to licensed banks to secure credit facilities granted to the Group as disclosed in Note 32 to the financial statements.

Movements of the Group's impairment losses on other receivables are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| At 1 January | 352 | 214 |
| Impairment loss recognised | 403 | 154 |
| Translation differences | (57) | (16) |
| At 31 December | 698 | 352 |

## 21 AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured loans which are denominated in Ringgit Malaysia, interest-free and repayable on demand.

## 22 AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate is an unsecured advances to an associate which are denominated in the Philippines Peso to secure leases of its land with a lease term of 30 years for the Group's operations in the Philippines. The amount is recoverable on the expiry of its leases and carry an interest rate of 6.5% per annum (2024: 6.5% per annum).

## 23 NON-CURRENT ASSETS HELD FOR SALE

| Group | Buildings RM'000 | Plant and machinery RM'000 | Total RM'000 |
|---|---|---|---|
| At 1 January 2024 | 10,129 | 1,522 | 11,651 |
| Transfer to property, plant and equipment (see Note 10) | (9,925) | (1,491) | (11,416) |
| Foreign exchange differences | (204) | (31) | (235) |
| At 31 December 2024/31 December 2025 | - | - | - |

In the previous financial year, the subsidiary's Board of Directors approved the withdrawal of the proposed sale of its leasehold property located at 28, 30 Senoko Crescent, Singapore. Subsequently, the leasehold property was reclassified from assets held for sale and presented under property, plant and equipment as at 31 December 2024.

## 24 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

| | Group | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Contract/ Notional Amount RM'000 | Derivative Assets/ (Liabilities) RM'000 | Contract/ Notional Amount RM'000 | Derivative Assets/ (Liabilities) RM'000 |
| **Current assets** | | | | |
| Forward foreign exchange contracts | - | - | 54,750 | 789 |
| **Current liabilities** | | | | |
| Forward foreign exchange contracts | 32,953 | (74) | - | - |
| Interest rate swap contract | 118,395 | (759) | - | - |
| | 151,348 | (833) | - | - |

The Group does not apply hedge accounting on its derivative financial instruments.

The forward foreign exchange contracts are used to manage the Group's purchases denominated in USD, CNY and EURO for which firm commitments existed at the end of the reporting period. The settlement dates on forward foreign exchange contracts range from 1 week to 36 weeks (2024: 4 weeks to 6 months). The interest rate swap contract is used to manage the Group's exposure to interest rate risk on its borrowings denominated in USD. The settlement date on interest rate swap contract is 74 weeks (2024: Nil).

The Group has recognised a loss of RM1,107,000 (2024: gain of RM1,908,000) arising from fair value changes of derivatives and RM514,000 of unrealised foreign exchange loss (2024: loss of RM1,366,000) during the financial year as disclosed in Note 6 to the financial statements. The method and assumptions applied in determining fair values of derivatives are disclosed in Note 45(b) to the financial statements.

## 25 CASH AND BANK BALANCES/CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Fixed deposits with licensed banks | 364,677 | 248,514 | - | - |
| Cash on hand and at banks | 646,946 | 522,156 | 1,596 | 1,086 |
| Total cash and bank balances | 1,011,623 | 770,670 | 1,596 | 1,086 |
| Less: Bank overdraft (Note 32) | (5,282) | (8,621) | - | - |
| Less: Fixed deposits pledged as collateral | (33,387) | (13,629) | - | - |
| Less: Fixed deposits of more than three months maturity with licensed banks | (145,934) | (69,736) | - | - |
| Cash and cash equivalents | 827,020 | 678,684 | 1,596 | 1,086 |

Certain fixed deposits with licensed bank of the Group with maturity period of 12 months and at a total carrying amount of RM33,387,000 (2024: RM13,629,000) are pledged with licensed banks as collaterals for certain loans and guarantees issued by the said banks. The remaining fixed deposits have maturity periods ranging from 7 to 365 days (2024: 7 to 365 days).

The weighted average effective interest rate of the fixed deposits with licensed banks ranges from 3.49% to 4.92% (2024: 3.29% to 5.81%) per annum.

## 26 SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Number of ordinary shares | Amount | Number of ordinary shares | Amount |
| | '000 | RM'000 | '000 | RM'000 |
| Issued and fully paid-up with no par value: | | | | |
| At beginning of financial year | 3,651,702 | 1,500,714 | 3,650,000 | 1,499,684 |
| Shares issued under ESOS | 3,269 | 1,978 | 1,702 | 1,030 |
| At end of financial year | 3,654,971 | 1,502,692 | 3,651,702 | 1,500,714 |

## 27 TREASURY SHARE

As at 31 December 2025, the Company held as treasury shares a total of 207,522,000 ordinary shares, repurchased from the open market for RM132,607,000 at an average price of RM0.64 per share.

| | Group and Company | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Number of ordinary shares '000 | Amount RM'000 | Number of ordinary shares '000 | Amount RM'000 |
| At beginning of financial year | 18,917 | 11,547 | - | - |
| Shares repurchased | 188,605 | 121,060 | 18,917 | 11,547 |
| At end of financial year | 207,522 | 132,607 | 18,917 | 11,547 |

## 28 MERGER RESERVE

The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the financial statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities of the acquired entity is recognised as merger reserve.

Merger reserve mainly arose from acquired entities by the Group and the Company during the Group restructuring in year 2014 from Leong Hup Holdings Sdn. Bhd., a fellow subsidiary of the Group.

## 29 RESERVES

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| Foreign currency translation reserve | (i) | (267,433) | (79,464) | - | - |
| Retained earnings | (ii) | 2,164,932 | 1,698,602 | 182,988 | 56,860 |
| ESOS reserve | (iii) | 5,020 | 3,277 | 5,020 | 3,277 |
| Share application money | | 130 | - | 130 | - |
| | | 1,902,649 | 1,622,415 | 188,138 | 60,137 |

(i) Foreign currency translation reserve

Exchange reserve is used to record exchange differences arising from the translation of financial statements of subsidiaries whose functional currency differs from the Group's presentation currency.

## 29 RESERVES (CONTINUED)

### (ii) Retained earnings

The entire retained earnings of the Company as at 31 December 2025 is available for distribution as dividend under the single tier system without incurring additional tax liabilities.

### (iii) ESOS reserve

ESOS reserve represent cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the ESOS reserve is transferred to retained earnings. When the share options expire, the amount from the share-based payment reserve is transferred to retained earnings. See Note 30 for the details of the ESOS.

## 30 EMPLOYEE SHARE OPTION SCHEME

In conjunction with the listing of the Company on Bursa Malaysia Securities Berhad, ("Listing"), the Company has established the Employee Share Option Scheme ("Previous ESOS"), with effect from 11 April 2019 ("Effective Date"), which involves the granting of ESOS Options ("the Options") to the eligible Directors and employees of the Group ("Grantees") as set out in the By-Laws governing the ESOS. The Previous ESOS expired on 10 April 2024, after five (5) years from the Effective Date.

On 31 May 2024, the shareholders had approved a new ESOS ("ESOS"). The Company had granted new ESOS options under this scheme to the Grantees. The duration of ESOS is for five (5) years effective from 18 July 2024 until 17 July 2029.

The Options are for one option for one new share. The issuance of the Options shall not exceed in aggregate 5.00% of the total number issued shares of the Company (excluding treasury shares, if any) at any one time during the duration of ESOS.

The Options are to be settled only by the issuance and allocation of new ordinary shares of the Company. There are no cash settlement alternatives.

The vested ESOS Options is exercisable by way of ESOS Trust Funding ("ETF") mechanism. In the implementation of ESOS, the Company has established a trust of which to be administered by the trustee. To enable the trustee to subscribe for new shares for the purposes of the ESOS implementation, the trustee will be entitled from time to time to accept funding from the Company. Under the ETF mechanism, as the Grantees elect to exercise the Options, the trustee will immediately utilise the fund in the trust account to subscribe new shares issued by the Company and place into a Central Depository System ("CDS") account of the trustee or its authorised nominee. The trustee shall within five market days from the new shares being credited to the CDS account, effect the sale of the said shares at the market price of equal or higher than the exercise price. The net gains from the sale of the Company shares after deducting the exercise cost will be released to the Grantees. In the event of unsuccessful match of sale of the said shares, the said shares will be retained as an advance to the Grantees by the Company.

## 30 EMPLOYEE SHARE OPTION SCHEME (CONTINUED)

The terms and conditions relating to the grants of the Options are as follow:

| Grant date | Number of options '000 | Exercise price RM | Vesting conditions | Contractual life of options |
|---|---|---|---|---|
| 19 July 2024 | 44,268 | 0.605 | - The options divided into 4 tranches which separately vest on 18 July 2024, 18 July 2025, 18 July 2026 and 18 July 2027.<br>- Exercisable options cap at 25% of options offered for each vesting date.<br>- The grantee must be an eligible employee or director, as the case may be, of the Company or its subsidiaries on the respective vesting and exercise dates. | 5 years |
| 16 May 2019 | 35,092 | 1.10 | - The options divided into 4 tranches which separately vest on 1 July 2019, 1 June 2020, 1 June 2021 and 1 June 2022.<br>- Exercisable options cap at 25 % of options offered for each vesting date.<br>- The grantee must be an eligible employee or director, as the case may be, of the Company or its subsidiaries on the respective vesting and exercise dates. | 5 years |

## 30 EMPLOYEE SHARE OPTION SCHEME (CONTINUED)

The number of share options are as follows:

2025

| | | Number of options over ordinary shares ('000) | | | | |
|---|---|---|---|---|---|---|
| Date of offer | Exercise price | As at 1.1.2025 | Granted and accepted | (Exercised) | (Expired)/ (Lapsed) | As at 31.12.2025 |
| 19 July 2024 | RM0.605 | 42,386 | - | (3,485) | (1,577) | 37,324 |

2024

| Date of offer | Exercise price | As at 1.1.2024 | Granted and accepted | (Exercised) | (Expired)/ (Lapsed) | As at 31.12.2024 |
|---|---|---|---|---|---|---|
| 14 May 2019 | RM1.10 | 31,517 | - | - | (31,517) | - |
| 19 July 2024 | RM0.605 | - | 44,268 | (1,702) | (180) | 42,386 |
| | | 31,517 | 44,268 | (1,702) | (31,697) | 42,386 |

## 30 EMPLOYEE SHARE OPTION SCHEME (CONTINUED)

Fair value of share option and assumptions

The fair value of share options granted was determined using the binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. The fair value of share options measured, closing share price at grant date and the assumptions were as follows:

| Award date | 19 July 2024<br>New Grant |
|---|---|
| Fair value per Option at grant date | RM0.1881 |
| Share price at grant date | RM0.67 |
| Exercise price | RM0.605 |
| Options life (expected weighted average life) | 5 years |
| Expected dividends yield | 3.3086% |
| Risk-free interest rate (based on Malaysian Government Securities) | 3.60% |
| Expected volatility | 33.51% |

| Award date | 16 May 2019<br>Previous Grant |
|---|---|
| Fair value per Option at grant date | RM0.352 |
| Share price at grant date | RM1.10 |
| Exercise price | RM1.10 |
| Options life (expected weighted average life) | 4.9 years |
| Expected dividends yield | 1.39% |
| Risk-free interest rate (based on Malaysian Government Securities) | 3.60% |
| Expected volatility | 37.71% |

## 31 LEASE LIABILITIES

| | Group | |
|---|---|---|
| | 2025<br>RM'000 | 2024<br>RM'000 |
| Classified as: | | |
| - Current | 31,262 | 30,708 |
| - Non-current | 133,830 | 145,394 |
| | 165,092 | 176,102 |

The lease liabilities represent the present value of remaining lease payments, discounted using the Group's weighted average incremental borrowing rate of 4.54% (2024: 4.52%) per annum.

## 32 BANK BORROWINGS

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Secured: | | |
| Current | | |
| Bank overdrafts | 5,282 | 8,621 |
| Term loans (a) | 98,032 | 108,201 |
| Revolving credits | 292,800 | 287,730 |
| Hire purchase liabilities (c) | 6,967 | 3,693 |
| | 403,081 | 408,245 |
| Non-current | | |
| Term loans (a) | 282,719 | 416,018 |
| Hire purchase liabilities (c) | 8,383 | 2,734 |
| | 291,102 | 418,752 |
| | 694,183 | 826,997 |
| Unsecured: | | |
| Current | | |
| Bankers' acceptances | 150,836 | 202,647 |
| Term loans (b) | 23,006 | 35,142 |
| Revolving credits | 205,183 | 154,425 |
| Trust receipts | 315,749 | 455,299 |
| Trade financing | 66,935 | - |
| Sukuk Mudharabah (d) | 63,000 | 163,000 |
| | 824,709 | 1,010,513 |
| Non-current | | |
| Term loans (b) | 73,188 | 54,040 |
| Sukuk Mudharabah (d) | 291,209 | 103,155 |
| | 364,397 | 157,195 |
| | 1,189,106 | 1,167,708 |
| Total borrowings | 1,883,289 | 1,994,705 |
| Total borrowings: | | |
| Bankers' acceptances | 150,836 | 202,647 |
| Bank overdrafts (Note 25) | 5,282 | 8,621 |
| Term loans | 476,945 | 613,401 |
| Revolving credits | 497,983 | 442,155 |
| Trust receipts | 315,749 | 455,299 |
| Trade financing | 66,935 | - |
| Hire purchase liabilities (c) | 15,350 | 6,427 |
| Sukuk Mudharabah (d) | 354,209 | 266,155 |
| | 1,883,289 | 1,994,705 |
| Less: Amount due within 12 months | (1,227,790) | (1,418,758) |
| Non-current portion | 655,499 | 575,947 |

32 BANK BORROWINGS (CONTINUED)

The term loans of the Group include:

(a) Secured

(i) A floating-rate term loan amounting to SGD43.3 million (equivalent to RM142.3 million) was drawn down in September 2024. The outstanding balance at the end of the financial year is SGD40.0 million (equivalent to RM126.4 million) (2024: SGD43.3 million (equivalent to RM142.3 million). The loan is repayable in 20 quarterly instalments commencing 9 months from the first draw down date in September 2024.

(ii) A floating-rate term loan amounting to SGD22.8 million (equivalent to RM74.9 million) was drawn down in September 2024. The outstanding balance at the end of the financial year is SGD21.1 million (equivalent to RM66.5 million) (2024: SGD22.8 million (equivalent to RM74.9 million). The loan is repayable in 20 quarterly instalments commencing 9 months from the first draw down date in September 2024.

(iii) A floating-rate term loan of PHP265.0 million (equivalent to RM22.0 million) was drawn down between June 2023 to November 2023. The outstanding balance at the end of the financial year is PHP147.2 million (equivalent to RM10.1 million) (2024: PHP206.1 million (equivalent to RM16.0 million)). The loan is repayable in 17 quarterly instalments commencing 9 months from the first draw down date in June 2023.

(iv) A floating-rate term loan of PHP290.0 million (equivalent to RM22.4 million) was drawn down in August 2024, October 2024 and November 2024. The outstanding balance at the end of the financial year is PHP241.7 million (equivalent to RM16.7 million) (2024: PHP290.0 million (equivalent to RM22.4 million)). The loan is repayable in 18 quarterly instalments commencing 9 months from the first draw down date in August 2024.

(v) A floating-rate term loan of PHP230.0 million (equivalent to RM17.5 million) was drawn down in May 2024 and August 2024. The outstanding balance at the end of the financial year is PHP174.6 million (equivalent to RM12.0 million) (2024: PHP225.7 million (equivalent to RM17.5 million)). The loan is repayable in 54 monthly instalments commencing 7 months from the first draw down date in May 2024.

(vi) A floating-rate term loan of PHP450.0 million (equivalent to RM31.0 million) was partially drawn down in August 2025. The outstanding balance at the end of the financial year is PHP150.0 million (equivalent to RM10.3 million). The loan is repayable in 18 quarterly instalments commencing 6 months from the first draw down date in August 2025.

32 BANK BORROWINGS (CONTINUED)

The term loans of the Group include: (continued)

(a) Secured (continued)

(vii) A floating-rate term loan of IDR200.0 billion (equivalent to RM56.4 million) was drawn down in December 2022. The outstanding balance at the end of the financial year IDR66.7 billion (equivalent to RM16.3 million) (2024: IDR77.5 billion (equivalent to RM21.5 million)). The loan is repayable in 48 monthly instalments commencing in November 2023 and is fully repayable by October 2027 with the option of 2 years extension subject to bank approval.

(viii) A floating-rate term loan of IDR200.0 billion (equivalent to RM58.4 million) was fully drawn down in December 2021. The outstanding balance at the end of the financial year is IDR120 billion (equivalent to RM29.3 million) (2024: IDR150.0 billion (equivalent to RM41.7 million)). The loan is repayable in 72 monthly instalments and is fully repayable by December 2028.

(ix) Musyarakah fixed-rate term financing of IDR300.0 billion (equivalent to RM87.6 million) was fully drawn down in December 2021. The outstanding balance at the end of the financial year IDR180.0 billion (equivalent to RM43.9 million) (2024: is IDR225.0 billion (equivalent to RM62.6 million)). The financing is repayable in 72 monthly instalments and is fully repayable by December 2028.

(x) A floating-rate term loan amounting to IDR400.0 billion (equivalent to RM114.4 million) was fully drawn down in 2020 and 2021. The outstanding balance at the end of the financial year is IDR111.9 billion (equivalent to RM27.3 million) (2024: IDR186.5 billion (equivalent to RM51.8 million)). The loan is repayable in 72 monthly instalments and is fully repayable by June 2027.

(b) Unsecured

(i) A floating-rate term financing amounting to RM15.4 million was first drawn in September 2024. The subsidiary further drawdown RM9.7 million during the financial year. The outstanding balance at the end of the financial year is RM12.4 million (2024: RM3.4 million). The financing is repayable in 60 monthly instalments commencing 12 months from the first drawn date.

The weighted average effective interest rates of term loans by currency profile as at end of the financial year are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | % | % |
| Ringgit Malaysia | 4.9 | 5.2 |
| Singapore Dollar | 2.8 | 5.2 |
| Indonesia Rupiah | 7.0 | 7.3 |
| Vietnamese Dong | 6.0 | 6.9 |
| Philippines Peso | 6.5 | 7.8 |

32 BANK BORROWINGS (CONTINUED)

(c) Hire purchase liabilities

Future instalment payments under hire purchase liabilities are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Instalment payments: | | |
| - Not later than 1 year | 7,590 | 3,883 |
| - Later than 1 year but not later than 5 years | 8,628 | 2,832 |
| | 16,218 | 6,715 |
| Less: Future finance charges | (868) | (288) |
| Present value of hire purchase liabilities | 15,350 | 6,427 |
| Of which are: | | |
| - Not later than 1 year | 6,967 | 3,693 |
| - Later than 1 year and not later than 5 years | 8,383 | 2,734 |
| | 15,350 | 6,427 |

The carrying amounts and fair values of the hire purchase liabilities of the Group are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Carrying amount | 15,350 | 6,427 |
| Fair value | 15,352 | 6,344 |

The fair value of hire purchase liabilities is estimated based on discounted cash flows using prevailing market rates for borrowings with similar risks profile and within level 2 of the fair value hierarchy.

32 BANK BORROWINGS (CONTINUED)

(d) Sukuk Mudharabah

On 23 November 2020, Leong Hup Capital Sdn. Bhd. ("LHC") lodged the proposed establishment of an unrated Islamic Medium Term Notes Programme of up to RM1.0 billion in nominal value under the Shariah principle of Mudharabah ("Sukuk Mudharabah Programme") with the Securities Commission Malaysia ("SC") under the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and revised on 12 November 2020 (as amended from time to time).

The Sukuk Mudharabah Programme is established by LHC as a funding vehicle for Leong Hup (Malaysia) Sdn. Bhd. ("LHM") and its subsidiaries (collectively, "LHM Group") and is guaranteed by LHM pursuant to an irrevocable and unconditional corporate guarantee under the principle of Kafalah and an irrevocable and unconditional letter of undertaking both in favour of the sukuk trustee.

The Sukuk Mudharabah Programme is unrated and shall have a tenure of 10 years from the date of first issuance of the Islamic medium term notes ("Sukuk Mudharabah") under the Sukuk Mudharabah Programme. The Sukuk Mudharabah to be issued under the Sukuk Mudharabah Programme from time to time shall have a tenure of at least 1 year and up to 10 years from the date of issuance as LHC may select provided that the Sukuk Mudharabah shall mature on or prior to the expiry of the Sukuk Mudharabah Programme.

On 22 December 2020, LHC completed an issuance of RM100 million in nominal value with a tenure of 5 years from the date of issuance. The first issuance was fully repaid in December 2025.

On 15 June 2021, LHC completed the second issuance of RM100 million (RM34 million, RM33 million and RM33 million cumulatively) in nominal value with a tenure of 3 to 5 years from the date of issuance.

On 10 January 2022, LHC completed the third issuance of a total of RM100 million (RM30 million, RM30 million and RM40 million cumulatively) in nominal value with a tenure of 3 to 5 years from the date of issuance.

On 15 August 2025, LHC completed the fourth issuance of a total of RM100 million (RM30 million, RM30 million and RM40 million cumulatively) in nominal value with a tenure of 3 to 5 years from the date of issuance.

On 10 December 2025, LHC completed the fifth issuance of a total of RM150 million (RM50 million, RM50 million and RM50 million cumulatively) in nominal value with a tenure of 3 to 5 years from the date of issuance.

## 32 BANK BORROWINGS (CONTINUED)

The proceeds from the Sukuk Mudharabah Programme shall be utilised by LHC for the following Shariah-compliant purposes:

i. provide Shariah-compliant intercompany advance(s) to the companies within the LHM Group;
ii. finance the redemption of any Sukuk Mudharabah then maturing; and
iii. defray fees and expenses incurred in relation to the Sukuk Mudharabah Programme.

The proceeds from the Sukuk Mudharabah Programme shall be utilised by the relevant company within the LHM Group for the following Shariah-compliant purposes:

i. refinance its existing financing/ borrowings;
ii. finance its capital expenditure requirements;
iii. finance its working capital requirements;
iv. finance its investment and/or acquisition of company(ies) and/or business(es); and
v. finance its general corporate purposes.

The currency profile of borrowings is as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Ringgit Malaysia | 833,878 | 713,778 |
| Singapore Dollar | 196,573 | 226,088 |
| US Dollar | 65,137 | 16,028 |
| Indonesia Rupiah | 424,148 | 491,645 |
| Vietnamese Dong | 260,494 | 408,008 |
| Philippines Peso | 103,059 | 139,158 |
| | 1,883,289 | 1,994,705 |

Secured bank borrowings are secured by legal charges over property, plant and equipment (Note 10), biological assets (Note 17), inventories (Note 18), trade receivables (Note 19) and other receivables (Note 20) of the Group.

Borrowings of the Group are subject to certain covenants. These covenants require that certain ratios (Debt to Equity ratio, Current ratio, Interest coverage ratio, EBITDA to interest ratio and Debt servicing coverage ratio) to be met. The Group is in compliance with these covenants at each reporting date.

There are no indications that the Group would have difficulties in complying with the covenants at the end of the reporting period.

## 32 BANK BORROWINGS (CONTINUED)

The weighted average effective interest rates as at end of the financial year are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | % | % |
| Bankers' acceptances | 3.5 | 3.9 |
| Bank overdrafts | 7.0 | 8.0 |
| Term loans | 4.8 | 6.2 |
| Revolving credits | 5.4 | 5.8 |
| Trust receipts | 5.0 | 4.5 |
| Trade financing | 3.4 | - |
| Hire purchase liabilities | 3.1 | 3.4 |
| Sukuk Mudharabah | 4.1 | 4.8 |

## 33 POST-EMPLOYMENT BENEFITS OBLIGATION

The Group operates various post-employment schemes, including both defined contributions plan (Note 5) and defined benefit plan. The Group's post-employment benefits obligation primarily arise from PT Malindo Feedmill Tbk and its subsidiaries. The Group provides defined post-employment benefits to their employees in accordance with Indonesian Labour Law No. 13/2003. No funding has been made to this defined benefit plan.

The method used in the actuarial valuation is the "Projected Unit Credit" method with the following assumptions:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| Retirement age | 56 years | 56 years |
| Discount rate (per annum) | 6.5% | 7.0% |
| Annual salary increase | 8.0% | 8.0% |

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Indonesia.

Movements in the present value of the post-employment benefit obligation are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| At 1 January | 39,908 | 38,971 |
| Charge of current service cost | 5,534 | 3,513 |
| Interest cost | 2,427 | 2,416 |
| Benefit paid | (2,897) | (1,592) |
| Translation differences | (5,137) | (2,728) |
| Remeasurement of post-employment benefit obligation charged to other comprehensive income | (484) | (672) |
| At 31 December | 39,351 | 39,908 |

## 33 POST-EMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

The amounts recognised in consolidated statements of comprehensive income in respect of the defined benefit plan are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Charge of current service cost | 5,534 | 3,513 |
| Interest cost | 2,427 | 2,416 |
| Expenses recognised in profit or loss (Note 5(a)) | 7,961 | 5,929 |
| Remeasurements: | | |
| Actuarial gain arising from experience adjustment | (484) | (672) |
| Remeasurements gain of post-employment benefit obligation recognised in other comprehensive income | (484) | (672) |

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Effect on defined benefit obligation | | |
| - 1% on discount rate | 21 | 523 |
| + 1% on discount rate | (20) | (446) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

## 34 DEFERRED INCOME – GOVERNMENT GRANTS

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| As at 1 January | 1,031 | 1,455 |
| Amortised during the financial year | (342) | (356) |
| Translation differences | (29) | (68) |
| As at 31 December | 660 | 1,031 |
| Classified as: | | |
| Current | 330 | 344 |
| Non-current | 330 | 687 |
| As at 31 December | 660 | 1,031 |

The government grant received by a wholly owned subsidiary are for the undertaking of the redesign and enhancement of business processes to improve productivity.

## 35 PROVISION FOR ASSET RETIREMENT OBLIGATION

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| As at 1 January | 4,918 | 5,086 |
| Additions | 204 | 275 |
| Termination | (27) | (78) |
| Unwinding of discount | 227 | 229 |
| Remeasurement | - | (594) |
| As at 31 December | 5,322 | 4,918 |

Provision for asset retirement obligation is provided for The Baker's Cottage café outlets in line with the terms and conditions stipulated in the tenancy agreement. The amount provided is the estimated cost to reinstate the premise to its original conditions.

## 36 TRADE PAYABLES

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Trade payables | 235,099 | 234,769 |
| Amounts due to related parties | 69,903 | 76,872 |
| | 305,002 | 311,641 |

Amounts due to related parties comprise payables to companies controlled by the Lau family amounting to RM68,710,000 (2024: RM75,932,000) and the Nam Family amounting to RM1,193,000 (2024: RM940,000). See Note 40 for significant related party disclosures.

## 37 OTHER PAYABLES AND ACCRUED EXPENSES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other payables | 124,900 | 109,759 | 50 | 136 |
| Accrued expenses | 123,545 | 148,135 | 2,124 | 2,022 |
| Amounts due to related parties (non-trade) | 13,820 | 14,265 | - | - |
| | 262,265 | 272,159 | 2,174 | 2,158 |
| GST/VAT payable | 2,593 | 2,017 | - | - |
| Accrued payroll | 108,343 | 132,695 | 340 | 363 |
| | 110,936 | 134,712 | 340 | 363 |
| | 373,201 | 406,871 | 2,514 | 2,521 |

Amounts due to related parties

Amounts due to related parties (companies controlled by the Lau family) included transactions such as transportation charges, purchases of sundries, rental expenses and royalty fee as disclosed in Note 40.

## 38 AMOUNTS DUE TO SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Unsecured advances | 87,624 | 21,035 |
| Non-trade transactions | 266 | 253 |
| | 87,890 | 21,288 |

The unsecured advances granted by a subsidiary bear interest rate of 5.3% (2024: 5.3%) per annum, are denominated in Ringgit Malaysia and repayable on demand.

The non-trade balances are unsecured, denominated in Ringgit Malaysia, interest-free and repayable on demand.

## 39 DIVIDEND PAID

| | Company | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| In respect of the financial year ended 31 December 2025: | | |
| Single-tier interim dividend of 1.00 sen per ordinary share on 3,598,892,600 ordinary shares, paid on 1 July 2025 | 35,989 | - |
| In respect of the financial year ended 31 December 2024: | | |
| Single-tier interim dividend of 1.30 sen per ordinary share on 3,650,000,000 ordinary shares, paid on 27 May 2024 | - | 47,450 |
| Single-tier interim dividend of 1.45 sen per ordinary share on 3,650,701,800 ordinary shares, paid on 30 Dec 2024 | - | 52,935 |

On 8 January 2026, the Directors have approved a single-tier second interim dividend of 1.00 sen per ordinary share amounting to RM34,366,446 in respect of the financial year ended 31 December 2025 and the dividend was paid to the shareholders on 30 January 2026.

## 40 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions negotiated amongst the parties.

Related parties and relationship

The related parties of and relationships with the Company are as follows:

| Name of company | Relationship |
|---|---|
| Emerging Glory Sdn. Bhd. ("EGSB") | Ultimate holding company |
| Subsidiaries of the Company: | |
| Leong Hup (Malaysia) Sdn. Bhd. ("LHM") | Subsidiary |
| Leong Hup Corporate Services Sdn. Bhd. | Subsidiary |
| Leong Hup (Philippines), Inc. | Subsidiary |
| Leong Hup Singapore Pte. Ltd. | Subsidiary |
| United Global Resources Limited | Subsidiary |
| Subsidiary of LHM: | |
| The Baker's Cottage Sdn. Bhd. | Indirect subsidiary |
| Companies controlled by/Persons related to Lau family: | |
| A'Famosa Golf Resort Bhd. | Lau family * |
| Alam Muhibah Sdn. Bhd. | Lau family * |
| Amalan Tepat Sdn. Bhd. | Lau family * |
| Astaka Shopping Centre (Muar) Sdn. Bhd. | Lau family * |
| Chiap Hup Known You Agriculture Sdn. Bhd. | Lau family * |
| Comfort Rubber Gloves Industries Sdn. Bhd. | Lau family * |
| Emerging Success Pte. Ltd. | Lau family * |
| Emivest Sdn. Bhd. | Lau family * |
| Fiscal Laurel Sdn. Bhd. | Lau family * |
| Gemini Glory Sdn. Bhd. | Lau family * |
| Goh Cha Boh @ Goh Hui Siang | Lau family * |
| Hornbill Restoran & Kafe Sdn. Bhd. | Lau family * |
| Ikatan Kayangan Sdn. Bhd. | Lau family * |
| Jaya Belembang Sdn. Bhd. | Lau family * |
| Jordon International Food Processing Pte. Ltd. | Lau family * |
| Kemajuan Mesju Sdn Bhd. | Lau family * |
| Lau Jui Peng | Lau family * |
| Leong Hup Corporation Sdn. Bhd. | Lau family * |
| Leong Hup Holdings Sdn. Bhd. | Lau family * |
| Leong Hup Pedagang Sayur | Lau family * |
| LKT Success Sdn. Bhd. | Lau family * |
| Pengangkutan Mekar Sdn. Bhd. | Lau family * |
| Perfect Breeding and Aquatic Corporation | Lau family * |
| Perfect Food Solutions Pte. Ltd. | Lau family * |
| Phil Malay Poultry Breeders, Inc. | Lau family * |
| Platinum Epitome Sdn. Bhd. | Lau family * |
| Plenitude Hectares Sdn. Bhd. | Lau family * |

## 40 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Related parties and relationship (continued)

The related parties of and relationships with the Company are as follows (continued):

| Name of company | Relationship |
|---|---|
| Companies controlled by/Persons related to Lau family (continued): | |
| Poly-Yarn Industries Sdn. Bhd. | Lau family * |
| Popular Yield Sdn. Bhd. | Lau family * |
| PT LeongHup Jayalndo | Lau family * |
| PT Sehat Cerah Indonesia | Lau family * |
| Safari Bird Park & Wonderland Sdn. Bhd. | Lau family * |
| Safari Wonderland Sdn. Bhd. | Lau family * |
| Sri Menawan Sdn. Bhd. | Lau family * |
| Stable Discovery Sdn. Bhd. | Lau family * |
| Teratai Agriculture Sdn. Bhd. | Lau family * |
| Teratai Agriculture Vietnam Ltd. | Lau family * |
| Wealthy Approach Sdn. Bhd. | Lau family * |
| Companies controlled by Nam family: | |
| Blue Home Marketing Sdn. Bhd. | Nam family ^ |

* Lau family refers to family members who, collectively control EGSB and the Company. The following Lau family members are Directors of the Company: Lau Chia Nguang, Tan Sri Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat collectively.

^ Nam family refers to family members who has significant financial interest in an indirect subsidiary, Teo Seng Capital Berhad, a company listed on Main Market of Bursa Malaysia Securities Berhad. The following Nam family member is Director of Teo Seng Capital Berhad: Nam Hiok Joo.

## 40 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions

The following transactions with related parties were carried out on terms and conditions negotiated amongst the related parties:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| **Associates** | | |
| Advances granted | (915) | (9,394) |
| Interest income | 1,727 | 1,727 |
| **Companies controlled by the Lau family** | | |
| Sales of goods | 518,036 | 675,624 |
| Purchases of goods | (474,039) | (493,268) |
| Transportation charges | (16,521) | (13,735) |
| Purchases of sundries | (10,952) | (8,834) |
| Interest income | 44 | 63 |
| Sales of property, plant and equipment | - | 26 |
| Purchase of property, plant and equipment | (258) | (295) |
| Management fee income | 29 | 84 |
| Rental income | 4,700 | 7,026 |
| Rental expense | (3,162) | (3,000) |
| Royalty fee | (1,862) | (1,909) |
| **Companies controlled by the Nam family** | | |
| Transportation charges | (10,312) | (11,109) |

| | Company | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| **Subsidiaries** | | |
| Dividend income | 174,573 | 118,859 |
| Interest expense | (2,295) | (523) |
| Management fee expense | (1,626) | (1,445) |
| Advance from a subsidiary | 97,000 | 21,000 |
| Repayment to a subsidiary | (31,136) | (17,694) |
| **Companies controlled by the Lau family** | | |
| Royalty fee | (1,862) | (1,909) |

Significant related party balances

The significant outstanding balances with subsidiaries and associate are shown in Note 21, Note 22 and Note 38 respectively. The significant outstanding balances with companies controlled by the Lau family and Nam family are shown in Note 19, Note 36 and Note 37 respectively.

## 40 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Key management personnel compensation

Key management personnel comprise the Directors and the Management Team of the Company, who assesses the financial performance and position of the Group, and makes strategic decisions directly or indirectly.

The aggregate amounts of compensation received or receivable by the Directors and the Management Team who are not the Directors of the Company during the financial years are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Directors of the Company: | | | | |
| Fees | 2,254 | 2,118 | 780 | 733 |
| Salaries, bonuses and other benefits | 56,013 | 48,524 | 435 | 174 |
| Defined contribution benefits | 6,476 | 5,297 | 59 | 10 |
| ESOS expense (i) | 522 | 692 | 522 | 692 |
| | 65,265 | 56,631 | 1,796 | 1,609 |
| Management Team other than Directors of the Company: | | | | |
| Salaries, bonuses and other benefits | 24,238 | 21,439 | - | - |
| Defined contribution benefits | 1,356 | 1,124 | - | - |
| ESOS expense (i) | 209 | 388 | - | - |
| | 25,803 | 22,951 | - | - |
| | 91,068 | 79,582 | 1,796 | 1,609 |

Note:

(i) ESOS expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. See Note 30 for the details of the ESOS.

## 41 CONTINGENT LIABILITIES

On 22 December 2023, Leong Hup Feedmill Malaysia Sdn. Bhd. ("LFM"), an indirect wholly-owned subsidiary of the Company had received a Notice of Finding of An Infringement under Section 40 of the Competition Act 2010 dated 11 December 2023, together with the Decision of Infringement of Section 4(1) read with Sections 4(2)(a) and 4(3) of the Competition Act 2010 ("Decision") dated 11 December 2023 from Malaysia Competition Commission ("MyCC").

In the Decision, MyCC maintains its proposed decision of 5 August 2022, that LFM had engaged in price-fixing infringement under Section 40 of the Competition Act 2010 with an imposition of financial penalty of RM157,470,027 on LFM.

The Company and LFM strongly believe that the allegation of the aforesaid infringement is without merit. In consultation with its external legal counsels, LFM had on 9 January 2024 appealed the Decision via the filing of the Notice of Appeal with the Competition Appeal Tribunal ("CAT") ("LFM's Appeal to CAT") and applied for a stay of the Decision pending the disposal of LFM's Appeal to the CAT ("LFM's Stay to CAT"). The hearing of LFM's Stay to CAT was concluded on 12 June 2024.

The CAT had on 6 December 2024 dismissed LFM's Stay to CAT ("CAT Decision on Stay"). LFM then filed an application on 16 December 2024 for leave at the High Court to institute judicial review proceeding against the CAT Decision on Stay ("LFM's Judicial Review on Stay"). In LFM's Judicial Review on Stay, LFM also sought an interim stay order to stay all actions, proceedings, execution and enforcement of the MyCC's Decision pending disposal of LFM's Judicial Review on Stay ("LFM's Interim Stay Application").

On 19 December 2024, LFM received an unsealed originating summons and an affidavit in support from MyCC's solicitors to enforce MyCC's Decision under Section 42 of the Act ("MyCC's Enforcement Application").

On 2 January 2025, the High Court of Kuala Lumpur granted LFM leave to institute LFM's Judicial Review on Stay. On the same day, the High Court also granted an ad interim stay order in relation to the MyCC's Decision, pending disposal of LFM's Interim Stay Application.

On 8 April 2025, the High Court of Kuala Lumpur heard and granted LFM's Interim Stay application and ordered a stay on all actions, proceedings, execution, and enforcement of MyCC's Decision, pending disposal of LFM's judicial review application, with costs in cause.

Meanwhile, the hearing of LFM's Appeal to CAT was conducted on 18 February 2025 and 18 April 2025.

The hearing of LFM's Judicial Review on Stay at the High Court of Kuala Lumpur was concluded on 23 July 2025. On 2 October 2025, the Judge at High Court of Kuala Lumpur allowed LFM's Judicial Review on Stay, with costs awarded to LFM. Accordingly, the Judge at the High Court of Kuala Lumpur ordered that the CAT Decision on Stay be quashed, and granted a stay of MyCC's Decision, including the imposition and payment of the financial penalty and all consequential actions, proceedings, execution and enforcement, pending the full and final disposal of LFM's Appeal to CAT.

Separately, the High Court had on 7 November 2025 struck out MyCC's Enforcement Application with liberty to file afresh after the CAT makes its decision on LFM's Appeal to CAT and ordered each party to bear its own costs.

## 41 CONTINGENT LIABILITIES (CONTINUED)

On 11 February 2026, the CAT dismissed the LFM's Appeal to CAT with no order as to cost. In the oral grounds delivered, the CAT stated that it affirmed the findings and decisions in the MyCC's Decision ("CAT's Decision").

Subsequent to that, LFM had on 23 February 2026 received (a) an originating summons dated 13 February 2026; and (b) an affidavit in support from MyCC's solicitors for, inter alia, leave from the High Court for the CAT's Decision to be registered and enforced against LFM as a judgment of the High Court pursuant to Section 59 of the Competition Act 2010.

On the same day, 23 February 2026, LFM filed an application for leave to commence judicial review against the CAT's Decision ("LFM's Judicial Review of CAT's Decision"). In the LFM's Judicial Review of CAT's Decision, LFM also applied for a stay of the CAT's Decision and MyCC's Decision, including all enforcement, execution, recovery or consequential proceedings, pending the full and final disposal of LFM's Judicial Review of CAT's Decision.

On 5 March 2026, the High Court at Kuala Lumpur granted LFM leave to commence LFM's Judicial Review of CAT'S Decision. The High Court also granted an ad interim stay order in relation to the CAT's Decision and MyCC's Decision, until the determination of LFM's Application for Interim Stay (as defined hereinafter). LFM's application for interim stay seeks to stay the CAT's Decision and MyCC's Decision, including all enforcement, execution, recovery or consequential proceedings arising from or pursuant to the said decisions, pending the full and final disposal of LFM's Judicial Review of CAT's Decision ("LFM's Application for Interim Stay").

During the case management on 9 April 2026, the High Court at Kuala Lumpur had fixed the hearing for LFM's Application for Interim Stay on 10 August 2026. The next case management for LFM's Judicial Review of CAT's Decision has been fixed on 18 June 2026.

## 42 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Acquisition of property, plant and equipment: | | |
| - approved by Directors and contracted for | 156,516 | 33,285 |

The capital commitments as at 31 December 2025 and 31 December 2024 include the estimated costs to be incurred in securing the certificate of completion and compliance on certain farms of the Group.

## 43 CATEGORIES OF FINANCIAL INSTRUMENTS

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

(a) Financial assets at amortised cost ("FAAC")
(b) Financial liabilities at amortised cost ("FLAC")
(c) Fair value through other comprehensive income ("FVOCI")
(d) Fair value through profit or loss ("FVTPL")

| | FAAC | FLAC | FVOCI | FVTPL | Total |
|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **Group** | | | | | |
| **2025** | | | | | |
| **Financial assets** | | | | | |
| Trade receivables | 591,321 | - | - | - | 591,321 |
| Other receivables and deposits | 92,166 | | | | 92,166 |
| Financial assets at fair value through other comprehensive income | - | - | 7 | - | 7 |
| Financial assets at fair value through profit or loss | - | - | - | 6,520 | 6,520 |
| Amount due from an associate | 25,734 | - | - | - | 25,734 |
| Cash and bank balances | 1,011,623 | - | - | - | 1,011,623 |
| | 1,720,844 | - | 7 | 6,520 | 1,727,371 |
| **Financial liabilities** | | | | | |
| Trade payables | - | 305,002 | - | - | 305,002 |
| Other payables and accrued expenses | - | 262,265 | - | - | 262,265 |
| Bank borrowings | - | 1,883,289 | - | - | 1,883,289 |
| Lease liabilities | - | 165,092 | - | - | 165,092 |
| Derivative financial liabilities | - | - | - | 833 | 833 |
| | - | 2,615,648 | - | 833 | 2,616,481 |

## 43 CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

| | FAAC | FLAC | FVOCI | FVTPL | Total |
|---|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| **Group** | | | | | |
| **2024** | | | | | |
| **Financial assets** | | | | | |
| Trade receivables | 623,171 | - | - | - | 623,171 |
| Other receivables and deposits | 68,735 | - | - | - | 68,735 |
| Financial assets at fair value through other comprehensive income | - | - | 4,446 | - | 4,446 |
| Amount due from an associate | 27,925 | - | - | - | 27,925 |
| Derivative financial assets | - | - | - | 789 | 789 |
| Cash and bank balances | 770,670 | - | - | - | 770,670 |
| | 1,490,501 | - | 4,446 | 789 | 1,495,736 |
| **Financial liabilities** | | | | | |
| Trade payables | - | 311,641 | - | - | 311,641 |
| Other payables and accrued expenses | - | 272,159 | - | - | 272,159 |
| Bank borrowings | - | 1,994,705 | - | - | 1,994,705 |
| Lease liabilities | - | 176,102 | - | - | 176,102 |
| | - | 2,754,607 | - | - | 2,754,607 |

## 43 CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

| | FAAC<br>RM'000 | FLAC<br>RM'000 | Total<br>RM'000 |
|---|---|---|---|
| **Company** | | | |
| **2025** | | | |
| **Financial assets** | | | |
| Other receivables and deposits | 16,698 | - | 16,698 |
| Amounts due from subsidiaries | 1,358 | - | 1,358 |
| Cash and bank balances | 1,596 | - | 1,596 |
| | 19,652 | - | 19,652 |
| **Financial liabilities** | | | |
| Other payables and accrued expenses | - | 2,174 | 2,174 |
| Amounts due to subsidiaries | - | 87,890 | 87,890 |
| | - | 90,064 | 90,064 |
| **2024** | | | |
| **Financial assets** | | | |
| Other receivables and deposits | 10,755 | - | 10,755 |
| Amounts due from subsidiaries | 1,296 | - | 1,296 |
| Cash and bank balances | 1,086 | - | 1,086 |
| | 13,137 | - | 13,137 |
| **Financial liabilities** | | | |
| Other payables and accrued expenses | - | 2,158 | 2,158 |
| Amounts due to subsidiaries | - | 21,288 | 21,288 |
| | - | 23,446 | 23,446 |

## 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its financial risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

### (a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

As of the end of the reporting date, the maximum exposure to credit risk arising from financial assets is limited to the carrying amounts in the statements of financial position. The Group's major classes of financial assets are trade and other receivables and cash and bank balances.

Following are the areas where the Group is exposed to credit risk:

#### (i) Trade receivables and trade amounts due from intercompanies using simplified approach

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified by geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the appropriate authorised personnel. With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers that have been transacting with the Group.

Historically, the Group's loss arising from credit risk is low. To measure the expected credit loss, receivables have been grouped based on days past due. The expected loss rates are based on the historical payment profiles of debtors and the corresponding credit losses experienced within this period. The historical loss rates are then adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of customers to settle receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

(i) Trade receivables using simplified approach (continued)

A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a debtor fails to make contractual payments greater than 365 days past due. Where trade receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The Group's current credit risk grading framework comprises the following categories:

| Category | Description | Basis for recognising expected credit losses ("ECL") |
|---|---|---|
| Performing | The customers that have no history of default. | Lifetime ECL |
| In-default | • Customers that have history of default.<br>• Amount that is more than 180 days past due. | Lifetime ECL |
| Write-off | Amount that is more than 365 days and there is evidence indicating that the Group has no realistic prospect of recovery. | Asset is written off |

The movement of allowance for impairment is disclosed in Note 19.

The Group's ECL rate at the end of the reporting period is 0.38% (2024: 0.49%)

No significant changes to estimation techniques or assumptions were made during the reporting period.

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

(ii) Other debt instruments financial assets at amortised costs

Other debt instruments financial assets at amortised cost include other receivables, amounts due from subsidiaries, and amounts due from an associate.

The loss allowance for other financial assets at amortised cost as at 31 December 2025 and 31 December 2024 reconciles to the opening loss allowance disclosed in Note 20.

All of these financial assets are considered to have low credit risk, and thus the impairment provision recognised during the period was limited to 12 months expected losses. These financial assets instruments are considered to be low credit risk when they have a low risk of default and the counterparties have strong capacity to meet its contractual cash flow obligations in the near term.

(iii) Financial guarantee contracts

At the date of reporting, there is no financial guarantee contract granted to external parties.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The Group and the Company adopt prudent liquidity risk management by maintaining sufficient 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.

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The following are areas of the Group and of the Company exposure to liquidity risk.

| | Within 1 year RM'000 | 1 to 2 years RM'000 | 2 to 5 years RM'000 | More than 5 years RM'000 | Total RM'000 | Carrying amount RM'000 |
|---|---|---|---|---|---|---|
| Group | | | | | | |
| 2025 | | | | | | |
| Trade payables | 305,002 | - | - | - | 305,002 | 305,002 |
| Other payables and accrued expenses | 262,265 | - | - | - | 262,265 | 262,265 |
| Lease liabilities | 37,787 | 35,122 | 51,761 | 70,206 | 194,876 | 165,092 |
| Term loans and Sukuk Mudharabah | 221,984 | 332,476 | 376,792 | 5,390 | 936,642 | 831,154 |
| Other bank borrowings | 1,044,375 | 6,538 | 2,089 | - | 1,053,002 | 1,052,135 |
| Derivative financial liabilities: | | | | | | |
| Gross settled (forward foreign exchange contracts) | | | | | | |
| - inflow | (33,728) | - | - | - | (33,728) | - |
| - outflow | 33,802 | - | - | - | 33,802 | 74 |
| Net settled (interest rate swap contract) | 759 | - | - | - | 759 | 759 |
| | 1,872,246 | 374,136 | 430,642 | 75,596 | 2,752,620 | 2,616,481 |

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

| | Within 1 year RM'000 | 1 to 2 years RM'000 | 2 to 5 years RM'000 | More than 5 years RM'000 | Total RM'000 | Carrying amount RM'000 |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **2024** | | | | | | |
| Trade payables | 311,641 | - | - | - | 311,641 | 311,641 |
| Other payables and accrued expenses | 272,159 | - | - | - | 272,159 | 272,159 |
| Lease liabilities | 38,007 | 36,461 | 59,285 | 96,916 | 230,669 | 176,102 |
| Term loans and Sukuk Mudharabah | 351,301 | 232,878 | 388,207 | 11,245 | 983,631 | 879,556 |
| Other bank borrowings | 1,112,605 | 1,886 | 945 | - | 1,115,436 | 1,115,149 |
| | 2,085,713 | 271,225 | 448,437 | 108,161 | 2,913,536 | 2,754,607 |

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Company

| | Within 1 year | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Other payables and accrued expenses | 2,174 | 2,158 |
| Amounts due to subsidiaries | 92,534 | 22,403 |
| | 94,708 | 24,561 |

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases, borrowings and bank balances that are denominated in a currency other than the respective functional currencies of the entities within the Group. The currencies which give rise to this risk are primarily Singapore Dollar (SGD) and United States Dollar (USD).

The Group's exposure to foreign currency risk arising on financial instruments denominated in a currency different from the functional currency of the entity holding the instruments is as shown in the table below:

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Foreign currency risk (continued)

Foreign currency exposure

| | SGD RM'000 | USD RM'000 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **2025** | | | | |
| Financial assets | | | | |
| Trade receivables | 8,386 | 3,940 | 83 | 12,409 |
| Other receivables, deposits and prepaid expenses | 10 | 2,396 | 9,588 | 11,994 |
| Cash and bank balances | 7,037 | 65,483 | 637 | 73,157 |
| | 15,433 | 71,819 | 10,308 | 97,560 |
| Financial liabilities | | | | |
| Trade payables | (1,585) | (23,150) | (2,173) | (26,908) |
| Other payables and accrued expenses | (1,159) | (1,927) | (1,352) | (4,438) |
| Bank borrowings | - | (60,264) | - | (60,264) |
| | (2,744) | (85,341) | (3,525) | (91,610) |
| Net currency exposure | 12,689 | (13,522) | 6,783 | 5,950 |

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Foreign currency risk (continued)

Foreign currency exposure (continued)

| | SGD RM'000 | USD RM'000 | Others RM'000 | Total RM'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **2024** | | | | |
| Financial assets | | | | |
| Trade receivables | 9,148 | 2,040 | 19 | 11,207 |
| Other receivables, deposits and prepaid expenses | 3 | 7,063 | 5,712 | 12,778 |
| Cash and bank balances | 4,247 | 95,219 | 311 | 99,777 |
| | 13,398 | 104,322 | 6,042 | 123,762 |
| Financial liabilities | | | | |
| Trade payables | (1,142) | (21,780) | (3,758) | (26,680) |
| Other payables and accrued expenses | (930) | (2,022) | (1,185) | (4,137) |
| Bank borrowings | - | (16,028) | - | (16,028) |
| | (2,072) | (39,830) | (4,943) | (46,845) |
| Net currency exposure | 11,326 | 64,492 | 1,099 | 76,917 |

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Foreign currency risk (continued)

The following table demonstrates the sensitivity of the Group's profit after tax and equity to 1% and 3% (2024: 5% and 10%) strengthening/weakening of each currency respectively in SGD and USD against the respective functional currencies of the entities within the Group, with all other variables held constant.

Profit for the year increases/(decreases):

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| SGD | | |
| - Strengthened 1% (2024:10%) | 96 | 861 |
| - Weakened 1% (2024:10%) | (96) | (861) |
| USD | | |
| - Strengthened 1% (2024:5%) | 103 | 2,451 |
| - Weakened 1% (2024:5%) | (103) | (2,451) |
| Others | | |
| - Strengthened 3% (2024: 5%) | 155 | 42 |
| - Weakened 3% (2024: 5%) | (155) | (42) |

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate 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.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

## 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (d) Interest rate risk (continued)

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| **Fixed rate instruments:** | | | | |
| **Financial assets** | | | | |
| Fixed deposits with licensed bank | 364,677 | 248,514 | - | - |
| Amount due from associate | 25,734 | 27,925 | - | - |
| | 390,411 | 276,439 | - | - |
| **Financial liabilities** | | | | |
| Hire purchase liabilities | 11,586 | 3,461 | - | - |
| Bankers' acceptances | 150,836 | 202,647 | - | - |
| Revolving credits | 497,983 | 442,155 | - | - |
| Trust receipts | 315,749 | 455,299 | - | - |
| Trade financing | 66,935 | - | - | - |
| Term loans | 43,920 | 62,550 | - | - |
| Amounts due to subsidiaries | - | - | 87,890 | 21,288 |
| | 1,087,009 | 1,166,112 | 87,890 | 21,288 |
| **Floating rate instruments:** | | | | |
| **Financial liabilities** | | | | |
| Hire purchase liabilities | 3,763 | 2,966 | - | - |
| Bank overdrafts | 5,282 | 8,621 | - | - |
| Term loans | 433,025 | 550,851 | - | - |
| Sukuk Mudharabah | 354,209 | 266,155 | - | - |
| | 796,279 | 828,593 | - | - |

## 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (d) Interest rate risk (continued)

The following table illustrates the sensitivity of profit to a reasonable possible change in interest rates of +/- 50 basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

| | Net profit/(loss) for the year | |
|---|---|---|
| | +50 bp | -50 bp |
| | RM'000 | RM'000 |
| Group | | |
| 31 December 2025 | (3,026) | 3,026 |
| 31 December 2024 | (3,149) | 3,149 |

## 45 FAIR VALUE OF FINANCIAL INSTRUMENTS

### (a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

| Asset/liability | Note |
|---|---|
| Trade receivables | 19 |
| Other receivables, deposits and prepaid expenses | 20 |
| Amounts due from subsidiaries | 21 |
| Amount due from an associate | 22 |
| Cash and bank balances | 25 |
| Lease liabilities | 31 |
| Bank borrowings | 32 |
| Trade payables | 36 |
| Other payables and accrued expenses | 37 |
| Amounts due to subsidiaries | 38 |

The carrying amount of financial assets and liabilities classified within current assets and current liabilities respectively approximate their fair values due to the relatively short-term nature of this financial instruments.

Certain bank borrowings that are floating rate instruments are reasonable approximation of fair values as they are re-priced to market interest rate on or near the reporting date.

The carrying amount of financial liabilities measured at amortised cost approximates their respective fair values.

The fair values of long-term financial assets and liabilities are calculated based on the present value of future principal and interest cash flows, discounted at market rate of interest or incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date.

### (b) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

(ii) Level 2 – Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

45 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

| | Fair value of financial instrument carried at fair value Level 1 | Fair value of financial instrument carried at fair value Level 2 | Fair value of financial instrument carried at fair value Level 3 | Carrying amount |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Group | | | | |
| 2025 | | | | |
| Financial assets: | | | | |
| Financial assets at fair value through other comprehensive income | - | - | 7 | 7 |
| Financial assets at fair value through profit or loss | 6,520 | - | - | 6,520 |
| | 6,520 | - | 7 | 6,527 |
| Financial liabilities: | | | | |
| Derivative financial liabilities (Note 24) | - | 833 | - | 833 |
| 2024 | | | | |
| Financial assets: | | | | |
| Financial assets at fair value through other comprehensive income | - | - | 4,446 | 4,446 |
| Derivative financial assets (Note 24) | - | 789 | - | 789 |
| | - | 789 | 4,446 | 5,235 |

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting date.

45 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

The table below analyses assets and liabilities not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

| | Fair value of assets not carried at fair value Level 3 RM'000 | Carrying amount RM'000 |
|---|---|---|
| Group | | |
| 2025 | | |
| Investment properties (Note 11) | 73,818 | 36,620 |
| 2024 | | |
| Assets: | | |
| Investment properties (Note 11) | 96,122 | 31,148 |

Fair value of certain investment properties is based on comparison method carried out by independent firms of professional valuers in determining its fair value. These were based on recent sale transactions of comparable properties with adjustments made to reflect location, purpose, visibility, size, tenure and age.

When there is no valuation performed, the fair values of the Group's investment properties are arrived by reference to market indication of transactions prices for similar properties determined by Group's Directors.

There was no transfer between all 3 levels of the fair value hierarchy during the financial year.

(c) Other non-financial assets and liabilities measured at fair value

Other than biological assets (Note 17), the Group does not have assets and liabilities measured at fair value at the reporting date.

## 46 CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise shareholder value.

The Group and the Company manage their capital structure and make adjustment to it, in light of changes in economic condition including the interest rate movements. To maintain and adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders or undertake transactions involving treasury shares.

The Group's debt-to-equity ratio as of the reporting period under review is as follows:

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Total borrowings (Note 32) | 1,883,289 | 1,994,705 |
| Cash and bank balances (excluding fixed deposit pledged as collateral) | (978,236) | (757,041) |
| Net debts | 905,053 | 1,237,664 |
| Total equity | 3,564,842 | 3,327,436 |
| Debt-to-equity ratio (times)^ | 0.25 | 0.37 |

^ Debt-to-equity ratio is calculated as net debts divided by total equity.

There were no changes in the Group's approach to capital management during the financial year. Other than the covenants on borrowings as disclosed in Note 32, the Group is not subject to any other externally imposed capital requirements.

## 47 OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Management Team as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into two main operating segments as follows:

- Livestock and poultry related products – production and distribution of breeder and broiler day-old-chick, broiler chickens, eggs, animal health products, consumer food products and sales of food and beverage.

- Feedmill – Manufacturing and trading of animal feeds.

(a) The Management Team assesses the performance of the operating segments based on their revenue and earnings before interest, tax, depreciation and amortisation ("EBITDA"). The accounting policies of the operating segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to operating segments.

(b) Each operating segment assets is measured based on all assets of the segment.

(c) Each operating segment liabilities is measured based on all liabilities of the segment.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses. These includes investment properties, deferred tax assets/liabilities, tax recoverable/payable and borrowings.

Transactions between operating segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions and balances arising thereof are eliminated.

## 47 OPERATING SEGMENTS (CONTINUED)

Business segments

| 2025 | Livestock & poultry related products RM'000 | Feedmill RM'000 | Inter-segment elimination RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Revenue** | | | | |
| - external revenue | 5,373,986 | 3,441,801 | - | 8,815,787 |
| - inter-segment revenue | - | 1,100,074 | (1,100,074) | - |
| Revenue from sales of goods | 5,373,986 | 4,541,875 | (1,100,074) | 8,815,787 |
| Revenue from other sources | | | | 13,395 |
| Total revenue | | | | 8,829,182 |
| **EBITDA** | 666,954 | 565,091 | (122) | 1,231,923 |
| Depreciation | (238,052) | (69,954) | - | (308,006) |
| | 428,902 | 495,137 | (122) | 923,917 |
| Share of results in associates | | | | 685 |
| Finance costs | | | | (101,193) |
| **Profit before taxation** | | | | 823,409 |
| Tax expense | | | | (161,483) |
| **Net profit for the financial year** | | | | 661,926 |
| **Assets** | | | | |
| Segment assets | 4,567,728 | 3,721,086 | (1,855,258) | 6,433,556 |
| Unallocated assets: | | | | |
| Investment properties | | | | 36,620 |
| Financial assets at fair value through profit or loss | | | | 6,520 |
| Deferred tax assets | | | | 53,249 |
| Tax recoverable | | | | 9,135 |
| Total assets | | | | 6,539,080 |
| **Liabilities** | | | | |
| Segment liabilities | 1,335,131 | 1,404,917 | (1,850,587) | 889,461 |
| Unallocated liabilities: | | | | |
| Borrowings | | | | 1,883,289 |
| Deferred tax liabilities | | | | 160,116 |
| Tax payable | | | | 41,372 |
| Total liabilities | | | | 2,974,238 |
| **Other disclosure** | | | | |
| Capital expenditure* | 432,871 | 87,109 | (5,676) | 514,304 |
| Non-cash item (other than depreciation) | 2,196 | 1,480 | 4,736 | 8,412 |
| Purchases of inventories and livestock | 2,866,988 | 4,037,916 | (1,100,074) | 5,804,830 |

## 47 OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

| 2024 | Livestock & poultry related products RM'000 | Feedmill RM'000 | Inter-segment elimination RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Revenue** | | | | |
| - external revenue | 5,398,950 | 3,899,046 | - | 9,297,996 |
| - inter-segment revenue | - | 1,592,018 | (1,592,018) | - |
| Revenue from sales of goods | 5,398,950 | 5,491,064 | (1,592,018) | 9,297,996 |
| Revenue from other sources | | | | 11,456 |
| Total revenue | | | | 9,309,452 |
| **EBITDA** | **594,105** | **615,439** | **(5,807)** | **1,203,737** |
| Depreciation | (237,153) | (69,307) | (6,498) | (312,958) |
| | 356,952 | 546,132 | (12,305) | 890,779 |
| Share of results in associates | | | | 356 |
| Finance costs | | | | (130,617) |
| **Profit before taxation** | | | | **760,518** |
| Tax expense | | | | (129,708) |
| **Net profit for the financial year** | | | | **630,810** |
| **Assets** | | | | |
| Segment assets | 4,232,556 | 4,027,030 | (1,945,358) | 6,314,228 |
| Unallocated assets: | | | | |
| Investment properties | | | | 31,148 |
| Deferred tax assets | | | | 63,597 |
| Tax recoverable | | | | 35,322 |
| Total assets | | | | 6,444,295 |
| **Liabilities** | | | | |
| Segment liabilities | 1,391,223 | 1,422,893 | (1,873,645) | 940,471 |
| Unallocated liabilities: | | | | |
| Borrowings | | | | 1,994,705 |
| Deferred tax liabilities | | | | 150,582 |
| Tax payable | | | | 31,101 |
| Total liabilities | | | | 3,116,859 |
| **Other disclosure** | | | | |
| Capital expenditure* | 329,232 | 63,077 | (975) | 391,334 |
| Non-cash item (other than depreciation) | 36,133 | 6,623 | 1,549 | 44,305 |
| Purchases of inventories and livestock | 4,794,140 | 3,143,176 | (1,592,018) | 6,345,298 |

* Includes capital expenditure in respect of property, plant and equipment ("PPE") and right-of-use assets in financial year ended 31 December 2025 and 31 December 2024.

## 47 OPERATING SEGMENT (CONTINUED)

Geographical Information

**Revenue from contracts with customers**

Revenue is analysed based on the country in which the head office is located.

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Malaysia | 2,345,336 | 2,299,503 |
| Singapore | 813,962 | 829,711 |
| Indonesia | 3,283,271 | 3,589,369 |
| Vietnam | 1,582,876 | 1,868,137 |
| The Philippines | 790,342 | 711,276 |
| Total revenue | 8,815,787 | 9,297,996 |

**EBITDA**

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Malaysia | 570,742 | 507,850 |
| Singapore | 71,063 | 60,377 |
| Indonesia | 237,332 | 304,529 |
| Vietnam | 225,855 | 206,980 |
| The Philippines | 126,931 | 124,001 |
| Total EBITDA | 1,231,923 | 1,203,737 |

**Non-current assets**

Non-current assets are determined according to the country where the head office is located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Malaysia | 1,808,625 | 1,630,000 |
| Singapore | 276,215 | 301,986 |
| Indonesia | 521,083 | 566,536 |
| Vietnam | 365,683 | 422,399 |
| The Philippines | 277,471 | 279,003 |
| Total non-current assets | 3,249,077 | 3,199,924 |

## 47 OPERATING SEGMENTS (CONTINUED)

Geographical Information (continued)

**Total Borrowings (excluding lease liabilities)**

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Malaysia | 833,879 | 713,778 |
| Singapore | 196,572 | 226,088 |
| Indonesia | 424,148 | 491,646 |
| Vietnam | 325,631 | 424,035 |
| The Philippines | 103,059 | 139,158 |
| Total borrowings | 1,883,289 | 1,994,705 |

Major customers

There is no single customer that has contributed 10% or more of the Group's revenue throughout the reported financial years.

## 48 EFFECT OF INTERBANK OFFERED RATE REFORM

Following the Global Financial Crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR, USD LIBOR and other interbank offered rates has become a priority for global regulators. Globally, the new alternative reference rates ("ARR") are being introduced to improve the integrity of financial benchmark rates as part of a transition to transaction-based rates, in line with the LIBOR reforms. The Group has a number of borrowings which are referenced to IBOR.

**Malaysia**

On 24 September 2021, Bank Negara Malaysia ("BNM") announced the launch of the Malaysia Overnight Rate ("MYOR") as the new alternative reference rate for Malaysia. The MYOR will run in parallel to the existing Kuala Lumpur Interbank Offered Rate ("KLIBOR"). There remain key differences between KLIBOR and MYOR. KLIBOR is a 'term rate', which means that it is published for a borrowing period (such as 3- or 6-month tenor) and is 'forward looking', because it is published at the beginning of the borrowing period. MYOR is currently a "backward-looking" rate, based on unsecured overnight Malaysian Ringgit interbank transactions in the Malaysian financial market, and it is published on the next business day (i.e. at the end of the overnight borrowing period). Furthermore, KLIBOR includes a credit spread over the risk-free rate, which MYOR currently does not. To transition existing contracts and agreements that reference KLIBOR to MYOR, adjustments for term and credit differences might need to be applied to MYOR, to enable the two benchmark rates to be economically equivalent on transition. On 25 March 2022, a new Islamic benchmark rate was announced, the Malaysia Islamic Overnight Rate ("MYOR-i") to replace the Kuala Lumpur Islamic Reference Rate.

The cessation of the publication of the remaining 1-month, 3-month and 6-month KLIBOR tenors had not been determined. Management will continue to monitor this and take the necessary action to address related risk and uncertainties going forward.

## 48 EFFECT OF INTERBANK OFFERED RATE REFORM (CONTINUED)

**Vietnam**

The Group has a borrowing which referenced the Vietnam Interbank Offered Rate ("VNIBOR") which extends beyond 2023.

As at 31 December 2025, the alternative benchmark for VNIBOR is not yet been determined. Management will continue to monitor this and take the necessary action to address related risk and uncertainties going forward.

**Indonesia**

The Group also has a number of borrowings which referenced the Jakarta Interbank Offered Rate ("JIBOR") which extends beyond 2022.

As at 17 October 2025, the Group transitioned all its JIBOR variable rate IDR borrowings to the Indonesia Overnight Index Average "INDONIA" effective from 1 January 2026.

The carrying amounts of these borrowings and amounts which reference to IBOR and have not transitioned to the respective new alternative reference rates ("ARR") are disclosed below.

| | Carrying amount | | Amounts which have yet to transition to an alternative benchmark interest | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Exposed to KLIBOR | | | | |
| Long-term borrowings | 354,209 | 266,155 | 354,209 | 266,155 |
| Exposed to VNIBOR | | | | |
| Long-term borrowings | - | - | - | - |
| Exposed to JIBOR | | | | |
| Long-term borrowings | 16,267 | 21,545 | 16,267 | 21,545 |

## 49 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 21 April 2026.