

PROFILE OF THE BOARD OF DIRECTORS



LAU CHIA NGUANG

Non-Independent Executive Chairman
and President Commissioner of PT Malindo
Feedmill TBK ("Malindo Feedmill")

Nationality : Malaysian
Gender : Male
Age : 72

Lau Chia Nguang completed his primary school education in 1964. He has over 45 years of experience and expertise in the integrated livestock industry.

He began his career in the late 1960s as a vegetable wholesaler. In 1978, he joined one of the Group's subsidiaries. He led the Group's broiler business in Malaysia from 1985 to 2002.

He led the expansion of the Group's poultry business to Jakarta in 1996 with the incorporation of PT Leong Ayamsatu Primadona. Thereafter, he founded Malindo Feedmill in 1997 as the vehicle for expanding the Group's poultry business in Indonesia to tap into the market potential and opportunities of the Indonesian poultry industry. Malindo Feedmill was listed on the Jakarta Stock Exchange (now known as Indonesia Stock Exchange) in 2006.

He served as President Director of Malindo Feedmill from 2014 to June 2018 and is currently the President Commissioner of Malindo Feedmill since June 2018.

His notable achievements, aside from leading the listing of Malindo Feedmill, include being recognised by Enterprise Asia in 2013 and 2015 with the Asia Pacific Entrepreneurship Award, as well as the BrandLaureate Brandpreneur Leadership of the Year Award 2019 by the World Brands Foundation.

He was appointed to our Board on 9 September 2014 and re-designated as our Executive Chairman on 1 October 2018. Currently, he also sits on the boards of various subsidiaries of the Group and several other private limited companies. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is the brother of Tan Sri Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the uncle to Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries; and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended four (4) out of five (5) Board meetings held during the financial year.

Profile of the Board of Directors



TAN SRI DATO' LAU ENG GUANG

Non-Independent Executive Director
& Group Business Strategist

Nationality	:	Malaysian
Gender	:	Male
Age	:	70

Tan Sri Dato' Lau Eng Guang completed his secondary school education in 1972 and South Australian matriculation in 1974. He has over 45 years of experience and expertise in the integrated livestock industry.

In 1978, he joined one of the Group's subsidiaries where he oversaw its finances and corporate affairs.

He is responsible for the Group's business strategies and risk management and has been involved in various aspects of the Group's operations. He served as a director in Leong Hup Holdings Bhd ("LH Holdings") and Emivest Bhd ("Emivest") when both companies were listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). He remains as director of both companies since 1989 and 2002, respectively.

He was appointed to our Board on 1 July 2014. Currently, he also sits on the boards of various subsidiaries of the Group and several other private limited companies. He is also the Executive Chairman of Comfort Gloves Berhad ("CGB") since 5 March 2021. He was appointed as member of our Sustainability Committee on 28 November 2023.

Tan Sri Lau's contributions to the industry and the society has earned him a recognition by His Majesty, The King with the conferment of the Commander of the Order of Loyalty to the Crown of Malaysia (P.S.M.) which carries the title "Tan Sri" on 13 November 2021.

He is the brother of Lau Chia Nguang and Tan Sri Lau Tuang Nguang; and the uncle to Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



TAN SRI LAU TUANG NGUANG

Non-Independent Executive Director,
Group Chief Executive Officer
& President Director of Malindo Feedmill

Nationality : Malaysian
Gender : Male
Age : 65

Tan Sri Lau Tuang Nguang completed his secondary school education in 1975. He has more than 41 years of experience and expertise in the integrated livestock industry.

He began his career in the family farm business at one of the Group's subsidiaries where he gained experience through managing the operations of the Grand Parent Stock ("GPS") and breeder farms and was director from 1978 to October 2018. He was appointed as the Group Chief Executive Officer on 13 June 2018 and was appointed to our Board on 23 November 2018.

As the Group Chief Executive Officer, he oversees the entire business operations of the Group covering Malaysia, Singapore, Indonesia, Vietnam and The Philippines.

He served as a panel advisor to the Ministry of Agriculture and Agro-based Industry of Malaysia ("MOA") in 2004 and sat as a panel member of the National Agriculture Advisory Council to the MOA from 2018 to 2022. He was the past President of the Federation of Livestock Farmers' Association of Malaysia ("FLFAM") for Year 2005/2007, an association instituted for the safeguarding of the livestock farming community's interest and the betterment of the livestock industry and presently is the honourable advisor to the FLFAM.

His notable achievements include receiving the Lifetime Achievement Award which was awarded by Department

of Veterinary Services of Malaysia in 2013 during the 7th Malaysian Livestock Industry Award and being appointed as a panel member of National Agriculture Advisory Council, under the purview of the MOA in 2018.

Currently, he also sits on the boards of various subsidiaries of the Group and several other private limited companies. He sat on the board of Teo Seng Capital Bhd ("Teo Seng") from 2009 to August 2018 and is currently the President Director of Malindo Feedmill, both being our listed subsidiaries. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is the brother of Tan Sri Dato' Lau Eng Guang and Lau Chia Nguang; and the uncle to Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



DATUK LAU JOO HONG

Non-Independent Executive Director,
Group Chief Operating Officer
& Chief Executive Officer for the Group's
Vietnam operations

Nationality	: Malaysian
Gender	: Male
Age	: 53

Datuk Lau Joo Hong completed his secondary school education in 1988. He has over 25 years of experience and expertise in the integrated livestock industry and retail market.

He began his career in the family poultry business in 1991 when he joined one of the Group's subsidiaries which was principally involved in the processing and marketing of chicken and related products, where he oversaw the entire operations of that subsidiary. In 1994, he was also assigned the responsibility of overseeing the entire operations of another subsidiary principally involved in further food processing products.

He was transferred to Astaka Shopping Centre (Muar) Sdn Bhd ("Astaka"), another family business in 1996 where he was responsible for the overall operations of Astaka until the family's decision to venture into Vietnam's poultry business in 2007 where he planned and executed the expansion plan. He led our Vietnam operations as Deputy Chief Executive Officer until his promotion in 2014 to Chief Executive Officer. He has been leading the expansion of our Vietnam operations since its incorporation and was appointed as the Group Chief Operating Officer on 29 September 2020 to oversee the operational matters of the Group as well as assume responsibility for the execution of the Group's overall strategies. On 28 November 2023 he was appointed as Chairman of the Group's Sustainability Committee to oversee the Group's sustainability strategy and initiatives covering environmental, social, governance and economical aspect as well as embedding sustainability practices into the businesses.

He is a director of both LH Holdings and Emivest since 2008 and 2010 respectively (including the period whilst both companies were listed on the Main Board of Bursa Securities).

He was appointed to our Board on 9 September 2014. Currently, he also sits on the boards of various subsidiaries of the Group and several other private limited companies and Kwandong Holdings Berhad ("KHB"), a non-listed public company. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company and KHB.

He is also a director and substantial shareholder of CW Lau & Sons Sdn Bhd ("CWL&S"), which in turn is a substantial shareholder of Emerging Glory Sdn Bhd ("Emerging Glory"), a major shareholder of our Company.

He is the nephew of Lau Chia Nguang, Tan Sri Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors

LAU JOO HAN

Non-Independent Executive Director and Chief Executive Officer for the Group's Malaysia operations

Nationality : Malaysian
Gender : Male
Age : 49



Lau Joo Han has over 24 years of experience in the livestock industry.

He graduated with a degree in International Trade from Victoria University, Melbourne, Australia in 1999.

He began his career in 2001 at Leong Hup Contract Farming Sdn Bhd (now known as Leong Hup Agrobusiness Sdn Bhd) in charge of the marketing and operations divisions. He rose through the ranks and has been the Chief Executive Officer of Leong Hup (Malaysia) Sdn Bhd ("LH Malaysia") since 2014, overseeing the overall business and full operations of LH Malaysia. He was duly appointed and has served as a director of LH Malaysia since 2014.

He has extensive expertise in the upstream and downstream activities of livestock production, operation, development and marketing areas of the poultry industry. He has contributed to the Group's marketing strategies and spearheaded many business expansion projects at LH Malaysia which contributed to the growth of LH Malaysia. He is instrumental in the business transformation of The Baker's Cottage which has served as the business-to-consumer channel of the Group in Malaysia. He served as a non-executive director of Teo Seng from 2008 until he was re-designated to the position of executive director in 2013 and held the position until his resignation on 31 July 2018.

He was appointed to our Board on 1 October 2018. Currently, he also sits on the board of directors of various subsidiaries of the Group and several other private limited

companies. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

In line with the ESG programme, he took a pivotal role in promoting the Group's social responsibility initiatives by encouraging young students to engage in sports activities. This encompassed sponsoring a table tennis training centre, organising junior-level table tennis tournaments, and supporting the Table Tennis Association of Malaysia's team to compete in international tournaments.

He is a director and substantial shareholder of Emerging Glory, a major shareholder of our Company.

He is the nephew of Lau Chia Nguang, Tan Sri Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Datuk Lau Joo Hong and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



LAU JOO KEAT

Non-Independent Executive Director
and Country Head for the Group's
Indonesia operations

Nationality	: Malaysian
Gender	: Male
Age	: 44

Lau Joo Keat has more than 21 years of experience and expertise in the integrated livestock industry.

In 2002, he obtained his Bachelor of Marketing from University of Kentucky, United States.

He began his career in 2002 when he joined the Malindo Feedmill as Production Manager of the breeding, hatchery and broiler farms. In 2007, he served as Head of Production of the breeding, hatchery and broiler farms. He serves as a director of Malindo Feedmill since 2015 and has been the Country Head of the Group's Indonesian business since 2017.

He was appointed to our Board on 9 September 2014. Currently, he also sits on the board of Malindo Feedmill, other various subsidiaries of the Group, and several other private limited companies. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is the nephew of Lau Chia Nguang, Tan Sri Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang and the cousin of Datuk Lau Joo Hong and Lau Joo Han who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



LOW HAN KEE

Senior Independent Non-Executive Director

Nationality : Malaysian
 Gender : Male
 Age : 64

Low Han Kee qualified as a Certified Public Accountant with the Malaysian Association of Certified Public Accountants (“MACPA”) (now known as Malaysian Institute of Certified Public Accountants) in 1984.

He began his career in 1980 with Ernst & Whinney (now known as Ernst and Young) where he completed his qualification as a Certified Public Accountant. From 1985 until 1990, he served at Mulpha International Berhad (“Mulpha”), a trading, construction and engineering company listed on the KLSE. His last designation at Mulpha was Group Chief Accountant. In 1990, he joined Amway (Malaysia) Sdn Bhd as Divisional Manager, Finance & Administration. From 1998, he served as Managing Director of Amway Malaysia Holdings Berhad (“AMHB”) which is listed on the Main Market of Bursa Securities until his retirement in 2016. From 2005 until 2016, he also served as President of Amway South East Asia, Australia and New Zealand where he had led the successful opening of Amway’s group business in South East Asia including Singapore, Brunei and Vietnam.

He has more than 34 years of financial expertise, having held senior finance positions in public listed companies, namely AMHB and Mulpha. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company and AMHB.

He was appointed to our Board on 1 August 2018. He is also the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee of the Company. Currently, he is a Non-Independent Non-Executive Director of AMHB and member of Audit Committee of AMHB.

He does not have any family relationship with any Director/major shareholder of our Company. He does not have any conflict of interest with our Company. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



DATIN PADUKA RASHIDAH BINTI RAMLI

Independent Non-Executive Director

Nationality	:	Malaysian
Gender	:	Female
Age	:	64

Datin Paduka Rashidah Binti Ramli obtained her Bachelor of Arts (Honours) in South East Asian Studies from University of Malaya, Kuala Lumpur in 1982.

She began her career in 1984 as an Administrative and Diplomatic Officer and served at various senior levels in the Ministry of Foreign Affairs of Malaysia, including the Southeast Asia Division, Development Division and Chief of Inspectorate. She also had foreign postings in Singapore and Canada, and was Ambassador (in residence) to the Republic of Ecuador and the Republic of Colombia. In 2010, she was appointed as the Director General of the Southeast Asia Regional Centre for Counter-Terrorism, Ministry of Foreign Affairs until her retirement in 2017.

She was conferred the Selangor State Award of Datuk Paduka Mahkota Selangor in 2008, which carries the title 'Datin Paduka'.

She was appointed to our Board on 1 August 2018. She is also a member of the Remuneration Committee of the Company. Other than the Company, she does not have directorship in any other public companies and listed issuers in Malaysia.

She does not have any family relationship with any Director/major shareholder of our Company. She does not have any conflict of interest with our Company. She has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. She attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



CHU NYET KIM

Independent Non-Executive Director

Nationality : Malaysian
 Gender : Female
 Age : 68

Chu Nyet Kim has more than 39 years of working experience in the field of taxation, finance and accounting functions.

She obtained her Diploma in Accounting (Honours) from Algonquin College of Applied Arts and Technology, Canada in 1977. She became an associate member of the Chartered Association of Certified Accountants, United Kingdom (now known as Association of Chartered Certified Accountants, United Kingdom) ("ACCA") in 1995 and she has been a Fellow member of the ACCA since 2000. She became a member of the Malaysian Institute of Accountants ("MIA") in 2018.

She began her career in Harrisons & Crosfield (Sabah) Sdn Bhd in 1977 as an account executive until 1980 before leaving the company to study full time for her ACCA. She then joined Houw Hing Co., Singapore, a trading company and served as an accountant from 1984 to 1987. Thereafter, she moved to Indonesia and went on sabbatical before re-entering the workforce when she joined Deloitte Indonesia ("Deloitte") in Jakarta, Indonesia in 1989. She was admitted as a partner in Deloitte in 1997 and later became a senior partner of Deloitte Southeast Asia Cluster until her retirement in 2016. In the 27 years that she was with Deloitte, she held various positions, specialising in taxation with her last designation as the Leader of Global Employer Services (a tax service line)

and Tax Risk Leader/Deputy Tax Managing Partner of Deloitte Indonesia. As the Tax Risk Leader of Deloitte Indonesia, she worked closely with Deloitte Southeast Asia Tax Risk Leader to build up the tax risk management team in Indonesia.

She was appointed to our Board on 1 August 2018. She is a member of the Audit and Risk Committee as well as Nomination Committee of the Company. She was appointed to the Board of CGB on 26 July 2022 as an Independent Non-Executive Director, a public listed company in Malaysia. She is the Chairman of the Audit Committee in CGB. She has been a Commissioner of PT PZ Cussons Indonesia ("PT PZ Cussons") since 2016. PT PZ Cussons is a subsidiary of PZ Cussons PLC, a company listed on the London Stock Exchange and a constituent of the FTSE 250 Index.

She does not have any family relationship with any Director/major shareholder of our Company. She does not have any conflict of interest with our Company. She has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. She attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



GOH WEN LING

Independent Non-Executive Director

Nationality	: Malaysian
Gender	: Female
Age	: 44

Goh Wen Ling has over 19 years of working experience in the legal industry encompassing direct real estate acquisitions and divestments, retail banking and various aspects of financing, corporate and commercial legal practice.

She graduated with a Bachelor of Laws (Honours) degree from University of Hull in 2000. She obtained her Postgraduate Diploma from City University London, Inns of Court School of Law in 2001. She was called to the Bar of England and Wales in 2001 as a Barrister-at-Law of the Honourable Society of the Middle Temple in 2001. In 2002, she was admitted to the High Court of Malaya as an advocate and solicitor.

She began her professional career in 2002 as an associate in the intellectual property department of Messrs. Shook Lin & Bok where her main area of practice was in intellectual property litigation, reviewing and advising on trademarks, patents and industrial design registration and general advisory work relating to intellectual property rights.

She left legal practice in 2003 and started her own event management company, Aldrea Dream Media Sdn Bhd. In 2004, she returned to legal practice and joined Messrs. Andrew T.S. Goh & Khairil as a junior partner and head of the conveyancing, corporate and banking department and is still currently active in legal practice.

She was appointed to our Board on 1 August 2018. She is also the Chairperson of the Remuneration Committee and a member of the Audit and Risk Committee of the Company. She was appointed as Independent Non-Executive Director and Chairperson of Nomination Committee of Teo Seng, Independent Non-Executive Director of MyMBN Berhad and PCCS Group Berhad on 26 May 2022, 7 July 2022 and 1 September 2022 respectively.

She does not have any family relationship with any Director/major shareholder of our Company. Except for providing some legal services as an advocate and solicitor capacity, she does not have any conflict of interest with our Company. She has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. She attended all the five (5) Board meetings held during the financial year.

Profile of the Board of Directors



TAY TONG POH

Independent Non-Executive Director

Nationality : Malaysian
Gender : Male
Age : 62

Tay Tong Poh obtained a Bachelor of Science in Electrical Engineering from the University of Southern California Viterbi School of Engineering, United States in 1984 and a Master of Business Administration (Finance) from the University of Chicago Booth School of Business, United States in 1986.

He has 18 years of experience in corporate banking, corporate finance, project finance, leveraged finance and debt capital markets in J.P Morgan Securities (Asia Pacific) Limited ("JP Morgan"). He began his career with Chase Manhattan Bank, Singapore ("CMB") as an associate in 1987 and transferred to Chase Manhattan Asia Limited, Hong Kong ("CMAL") in 1993. Both CMB and CMAL were the predecessors of JP Morgan. He held various senior management positions in JP Morgan with his last designation as managing director of Debt Capital Markets, Asia Pacific where he was responsible for the loan syndication business of JP Morgan in Asia Pacific and aided in establishing JP Morgan as one of the market leaders in leveraged finance in the region.

He took a career break after he left JP Morgan in 2004 and relocated to Singapore in 2005. He joined United Overseas Bank Limited ("UOB") as Head of Investment Banking and Executive Vice President from 2006 to 2011. Whilst in UOB, he served as a member of UOB's Management Committee and Investment Committee.

He joined Affinity Equity Partners ("Affinity") in 2011 as managing director and Head of Portfolio Management and was responsible for various functions, including performing due diligence and opining on Affinity's investment opportunities, monitoring of investment portfolios, performing portfolio valuation and supervising Affinity's responsible investment policy. He also represented Affinity on the board of directors of several portfolio companies. He retired from Affinity in June 2018 and resigned from the board of directors of the portfolio companies and Affinity's group entities.

He was appointed to our Board on 1 August 2018 and served as Chairman of the Nomination Committee of the Company. He was also appointed as a member of our Sustainability Committee on 28 November 2023. On 1 January 2024, he commenced his appointment as Executive Director of Lumens Capital Partners (Singapore) Pte Ltd, a company licensed in Singapore to conduct fund management activities. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He does not have any family relationship with any Director/major shareholder of our Company. He does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023. He attended all the five (5) Board meetings held during the financial year.

PROFILE OF THE KEY SENIOR MANAGEMENT



LAU JUI PENG

Group Breeder Chief Executive Officer

Nationality	:	Malaysian
Gender	:	Male
Age	:	52

Lau Jui Peng has over 24 years of experience and expertise in the production processes and management of poultry companies.

He graduated in 1996 with a Bachelor's degree in Business Administration from the Hawaii Pacific University, United States.

He began his career in 1999 when he joined one of the Group's subsidiaries as the Head of breeder operation. He has held various management positions in that subsidiary including General Manager and Deputy Chief Executive Officer. He has been the Chief Executive Officer of the Group's Breeder Operation since 2013, and is responsible for the production, operation and administration of breeder operation.

He was appointed as Non-Executive Chairman of Teo Seng in 2008 and was re-designated as the Executive Chairman, a position which he has held since 2013 until his subsequent re-designation as Non-Executive Chairman on 29 January 2019. On 15 November 2022, he was re-designated as Executive Chairman of Teo Seng. Currently, he also sits on the board of various subsidiaries of the Group and several private limited companies.

He is also a director and substantial shareholder of CWL&S, which in turn is a substantial shareholder of Emerging Glory, a major shareholder of our Company.

He is the brother of Datuk Lau Joo Hong, nephew of Lau Chia Nguang, Tan Sri Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.

Profile of the Key Senior Management



LAU JOO HENG

Chief Executive Officer of the Group's Philippines operations

Nationality : Malaysian
Gender : Male
Age : 49

Lau Joo Heng has 20 years of experience in the operational activities of the integrated livestock industry and exposure in retail and export businesses.

He graduated from Western Michigan University, United States with a Bachelor and Master's degree in Finance in 1996 and 1998 respectively.

He began his career in 1998 when he joined Arab-Malaysian Merchant Bank Berhad as Risk Management Officer until he left to join the family business from 1999 until he was transferred to a bakery business owned by LH Holdings in 2003 as its Chief Executive Officer. He held positions at various management levels in the family business and our subsidiaries. He left the bakery business to join the Group's Livestock business in 2015 and expanded our Livestock business to The Philippines. He has since led our Philippines operations.

Currently, he also sits on the board of Leong Hup (Philippines), Inc., Leong Hup Foods (Philippines), Inc. and several other private limited companies.

He does not hold any directorship in public companies and listed issuers in Malaysia.

He is also a director and substantial shareholder of CWL&S, which in turn is a substantial shareholder of Emerging Glory, a major shareholder of our Company.

He is the brother of Datuk Lau Joo Hong, nephew of Lau Chia Nguang, Tan Sri Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.

Profile of the Key Senior Management



LAU JOO HWA

Chief Executive Officer of the Group's Singapore operations

Nationality	: Malaysian
Gender	: Male
Age	: 45

Lau Joo Hwa has over 21 years of experience in the operational activities of the integrated livestock industry and exposure in retail and export businesses.

He graduated from Victoria University of Melbourne, Australia in 2002 with a Bachelor's degree in Business.

He began his career in 2002 as a Marketing Manager at Malindo Feedmill and was re-designated as its Operational Manager in 2008. He was promoted to the position of Deputy Chief Executive Officer of Malindo Feedmill in charge of marketing and overall administration. He was also appointed as Deputy Chief Executive Officer of one of our Singapore subsidiaries in 2014. He has been the Chief Executive Officer of the Group's Singapore operations since 23 October 2014.

Currently, he also sits on the boards of various subsidiaries of the Group and several other private limited companies.

He does not hold any directorship in public companies and listed issuers in Malaysia.

He is the son of Lau Chia Nguang, nephew of Tan Sri Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. Save as disclosed, he does not have any conflict of interest with the Group. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.

Profile of the Key Senior Management



CHEW ENG LOKE

Group Chief Financial Officer

Nationality : Malaysian
Gender : Male
Age : 55

Chew Eng Loke has over 30 years of experience in management and financial roles at numerous companies.

He obtained a Bachelor of Economics in 1991 from Monash University, Australia and Master of Business Administration from University of Strathclyde, United Kingdom in 1998. He is a Chartered Accountant of Malaysia Institute of Accountants, a Fellow of CPA Australia and a Chartered Accountant of the Chartered Accountants Australia and New Zealand.

He began his career with The Asia Life Assurance Society Limited in 1991 as an Executive Assistant and assumed the position of Executive Officer until 1992 when he joined Ayamas Food Corporation Berhad ("Ayamas"). Whilst at Ayamas, he held several general management and finance roles, including Assistant Management Accountant, Management Accountant and Operations Support Manager. He left Ayamas in 1999 to join Universal Nutribeverage (M) Sdn Bhd as Chief Operating Officer and was appointed as General Manager of Green Spot Beverage (M) Sdn Bhd in 2000 until 2002. He was a director of Prinsip Mahir Sdn Bhd from 2003 until 2008. Thereafter, he joined Texchem Resources Berhad and assumed the position of Assistant General Manager before moving to its subsidiary, Seapack Food Sdn Bhd, as General Manager (Operations) in 2006 until 2007.

Subsequently, from 2007 to 2014, he was the Chief Financial Officer of Ogawa World Berhad, which was previously listed on the Main Market of Bursa Securities, with operations across Asia including China, which distributes healthcare equipment and supplementary appliances through its subsidiaries. He then joined AirAsia X Berhad, a long-haul budget airline company listed on Bursa Securities, in 2014 as its Chief Financial Officer, responsible for corporate finance and treasury matters, financial planning and analysis, external reporting and investor relations. He then left AirAsia X Berhad in 2015 and joined our Company as Group Chief Financial Officer on 1 March 2015 and is responsible for all of the Group's overall financial operations.

He does not hold any directorship in public companies and listed issuers in Malaysia.

He does not have any family relationship with any Director/major shareholder of our Company. He does not have any conflict of interest with our Company. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any) or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.

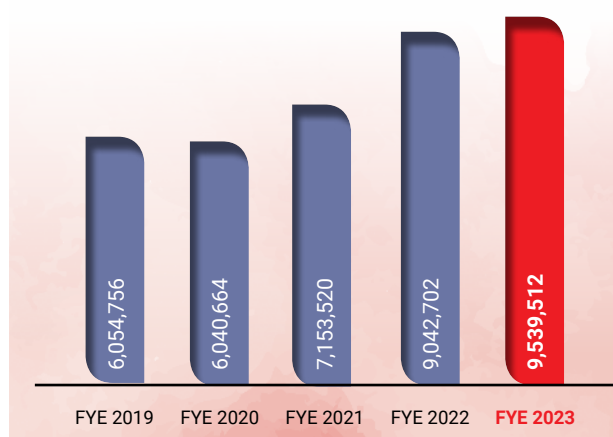
FINANCIAL HIGHLIGHTS

	FYE 2019 (RM'000)	FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)
Revenue	6,054,756	6,040,664	7,153,520	9,042,702	9,539,512
Profit Before Taxation	288,750	157,126	140,315	326,555	554,745
Profit Attributable to Owners of the Parent	150,579	113,145	85,403	218,891	301,737
Weighted Average Number of Shares in Issue ('000) [@]	3,557,535	3,650,000	3,650,000	3,650,000	3,650,000
Net EPS (Sen)	4.23	3.10	2.34	6.00	8.27
PBT Margin (%)	4.77	2.60	1.96	3.61	5.82

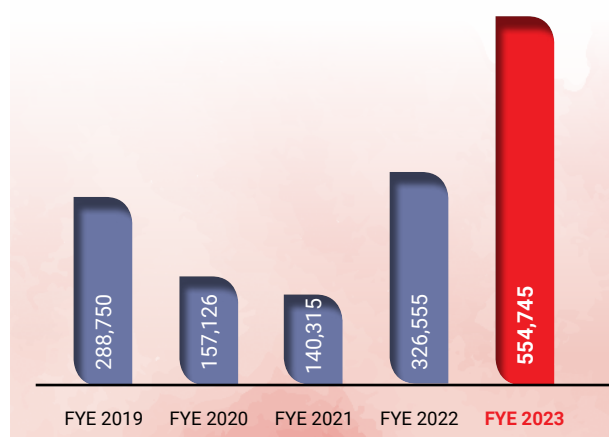
Note:

- @ As the Company undertook bonus issue and share split exercise on 11 January 2019, the basic and diluted earnings per share have been adjusted to reflect the new number of ordinary shares of 3,400,000,000. In accordance with MFRS 133 'Earnings per Share', the calculation of basic and diluted earnings per share for all periods presented have been adjusted retrospectively as the number of ordinary shares has increased as a result of bonus issue or share split. The weighted average number of ordinary shares in issue for financial year ended 31 December 2019 takes into account the issuance of 250,000,000 new ordinary shares of the Company on 15 May 2019.

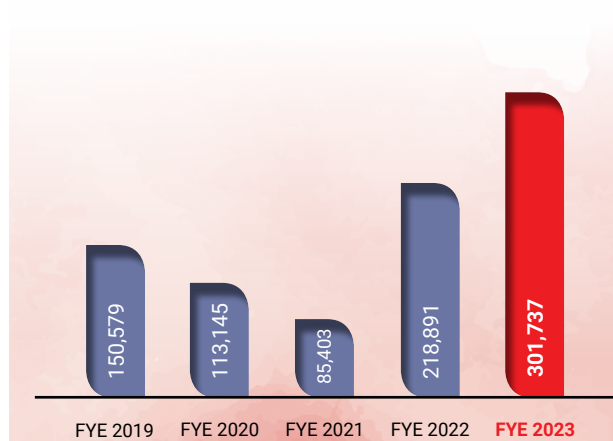
REVENUE (RM'000)



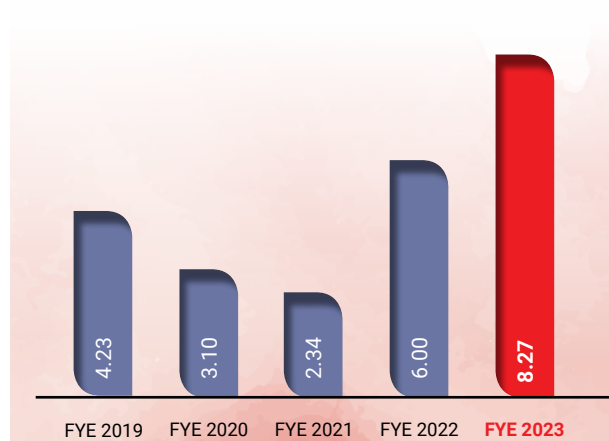
PBT (RM'000)



PATMI (RM'000)



NET EPS (SEN)



CHAIRMAN'S STATEMENT



Dear Shareholders & Stakeholders,

The Group witnessed a remarkable surge in profit after tax and minority interest **soaring** from RM218.89 million in FYE 2022 to **RM301.74 million** in **FYE 2023**, marking a substantial **increase of 37.9%**.

LAU CHIA NGUANG
Non-Independent Executive Chairman



Chairman's Statement

OUR OPERATIONAL LANDSCAPE

In 2023, the global economy emerged from COVID-19 challenges, marked by significant developments like China's easing of restrictions, which sparked optimism for a robust recovery. The year highlighted the varied pace of recovery across nations, influenced by regional dynamics, and government interventions. Efforts to revitalize markets and stimulate economic growth were evident globally, showcasing a diverse tapestry of resilience and recuperation in the face of the pandemic's lingering impact

The ongoing war in Europe disrupts global supply chains, particularly energy and agricultural sectors. Russia's role as a major supplier of oil and natural gas, along with Ukraine's major contributions to the world's wheat and corn supply, led to widespread disruptions, and increased global inflationary pressures. Meanwhile, the Israeli-Palestinian conflict briefly led to minor volatility in oil prices, with disruptions in regional trade routes. However, this impact was short-lived, and prices stabilized towards the end of 2023. On the other hand, wheat and corn prices also stabilized in the second half of 2023. These conflicts underscore the vulnerability of global economic systems to geopolitical unrest, illustrating the extensive impact such tensions can have on global production costs, consumer prices, and economic stability.

In 2023, the global food price index of the Food and Agriculture Organization ("FAO"), which monitors the international prices of major traded food commodities, saw a decline to an average of 124.7 points from the record high average of 144.7 points in 2022¹.

In the financial landscape, the Federal Reserve of the United States sustained the upward trend in interest rates from the previous year to reduce demand and control inflation. In 2023, the federal funds rate increased four times, rising from 4.50% to 5.50%², as a result, the inflation rate in the US dropped from 6.5% to 3.4%³. This trend was mirrored by other nations, including the European Union and Southeast Asian countries such as Malaysia, Indonesia, The Philippines, and Singapore. The collective impact of these measures helped to temper inflationary pressure globally. In Malaysia, the Overnight Policy Rate ("OPR") rose from 2.7% to 3.0%⁴, leading to a decrease in the annual inflation rate from 3.3% to 2.5%⁵. While, in Indonesia, the interest rate rose from 5.5% to 6.0%⁶, resulting in a decrease in the inflation rate from 4.2% to 3.7%⁷. Despite raising the policy rate from 5.5% to 6.5%⁸, The Philippines experienced an increase in inflation from 5.8% to 6.0%⁹. This was attributed to higher transport charges, electricity rates, and international oil prices, as well as higher-than-expected minimum wages outside the National Capital Region¹⁰. In Singapore, inflation declined from 6.1% to 4.8%¹¹ following an increase in the policy rate from 2.53% to 3.62%¹². Meanwhile, Vietnam saw its annual inflation rate rise from 3.2% to 3.3%¹³ as the government lowered the interest rate from 6% to 4.5%¹⁴.

In term of gross domestic product ("GDP"), Malaysia expanded by 3.7%¹⁵ in 2023, marking a deceleration from the robust growth observed in the preceding year (2022: 8.7%). The slowdown in growth can be ascribed to the exceptionally high growth in 2022, which was largely a result of the pent-up demand from 2021.

Vietnam experienced a decrease in GDP growth to 5.05%¹⁶ in 2023, down from the previous 8.0%, primarily due to weakened external demand. Meanwhile, The Philippines reported a deceleration in economic growth to 5.6%¹⁷ from 7.6% in 2022, driven by escalating inflation and interest rate hikes that curtailed household spending power. Indonesia recorded a 5.1%¹⁸ GDP growth in 2023 compared to 5.31% in 2022, influenced by subdued export growth and the impact of tight monetary policies on demand. Singapore registered a reduced GDP growth of 1.1%¹⁹ compared to the previous year's 3.8%.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

In the face of a challenging macro environment, Leong Hup International ("LHI" or the "Group"), has demonstrated resilience and achieved notable progress. I am pleased to announce that LHI has delivered commendable results for the fiscal year ended 31 December 2023 with a record revenue of RM9.54 billion, propelled by robust performance of both the Livestock and Feedmill segments.

Upon a review of geographical segmentation, Indonesia maintained its position as the largest segment and contributed RM3.62 billion (38.0%) to the Group's total revenue for FYE 2023. Malaysia followed as the second-highest at RM2.39 billion (25.0%), and Vietnam contributed RM2.11 billion (22.2%). Meanwhile, Singapore and The Philippines contributed RM826.12 million (8.7%) and RM576.57 million (6.1%) respectively.

The Group witnessed a remarkable surge in profit before tax which soared from RM326.56 million in FYE 2022 to RM554.75 million in FYE 2023, marking a substantial increase of 69.9%. Additionally, net profit attributable to the Company's owners has grown from RM218.89 million in FYE 2022 to RM301.74 million in FYE 2023. Earnings per share have correspondingly increased by 37.8% to 8.27 sen, compared to 6.00 sen in the previous year. Maintaining a healthy balance sheet, the Group held a cash position of RM699.51 million, shareholders' funds amounted to RM2.96 billion, and a reduced net gearing ratio of 0.60 times.

Chairman's Statement

The Group's Return on Equity has improved to 14.5% in FYE 2023 from 9.4% in FYE 2022, thanks to our strong financial performance, operational resilience and efficiency. Further details on the Group's financial performance and financial position for FYE 2023 are set out in the Management Discussion and Analysis by the Group Chief Executive Officer in pages 35 to 39 of the Annual Report.

FUTURE PROSPECTS

The global economic outlook for 2024 appears optimistic, characterized by a healthy inflation level and anticipated interest rate reductions. This is expected to potentially drive GDP growth and, consequently, increase demand for our products. However, persistent disruptions from the ongoing conflict in the Middle East and the inherent volatility of the US dollar against the Malaysian Ringgit continue to pose challenges, impacting corn and soy prices, a trend likely to persist into the upcoming financial year.

The Group maintains a steadfast commitment to delivering operational excellence. Our focus remains on organic growth and expanding the capacity of existing businesses opportunistically, particularly when interest costs are lower. This strategy aligns with our substantial reduction in borrowing over the past year, contributing to enhanced economies of scale. The ongoing priorities include cost optimization and improving the sales mix of our products. Furthermore, we are actively pursuing downstream expansion initiatives to fortify resilience and enhance margin stability.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I want to express gratitude to all our stakeholders, including governing authorities, regulatory bodies, business associates, vendors, and customers, for their ongoing support and confidence in the Group. A special acknowledgment goes to our management and employees for their dedicated efforts, contributing significantly to the Group's continued success, especially in these challenging times. I also extend heartfelt thanks to my fellow Board members for their invaluable advice and guidance throughout the year.

We are committed to working diligently to achieve our corporate objectives and enhance our operational performance. Guided by clear strategic priorities, we aim to foster growth and create value for our shareholders and stakeholders.

¹ <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

² <https://www.forbes.com/advisor/investing/fed-funds-rate-history/>

³ <https://tradingeconomics.com/united-states/inflation-cpi>

⁴ <https://www.bnm.gov.my/monetary-stability/opr-decisions>

⁵ <https://www.nst.com.my/business/economy/2024/01/1004180/malysias-inflation-rate-remained-15-pct-dec-2023-dosm>

⁶ <https://tradingeconomics.com/indonesia/interest-rate>

⁷ <https://www.focus-economics.com/country-indicator/indonesia/inflation-aop/>

⁸ <https://tradingeconomics.com/philippines/interest-rate>

⁹ <https://www.psa.gov.ph/price-indices/cpi-ir>

¹⁰ https://www.bsp.gov.ph/SitePages/PriceStability/VisualMPR/MonetaryPolicyReport_November2023.aspx

¹¹ <https://www.straitstimes.com/business/singapore-inflation-eases-to-48-in-2023-from-61-in-2022-december-prices-rise-at-faster-pace#:~:text=For%202023%2C%20all%2Ditems%2C,data%20showed%20on%20Jan%2023>

¹² <https://eservices.mas.gov.sg/statistics/dir/DomesticInterestRates.aspx>

¹³ <https://www.focus-economics.com/country-indicator/vietnam/inflation/>

¹⁴ <https://tradingeconomics.com/vietnam/interest-rate>

¹⁵ <https://www.cnb.com/2024/02/16/malysias-2023-economic-growth-misses-expectations.html>

¹⁶ [https://www.reuters.com/world/asia-pacific/vietnam-2023-economic-growth-slows-505-2023-12-29/#:~:text=HANOI%2C%20Dec%2029%20\(Reuters\).an%20intensified%20anti%2Dgraft%20crackdown](https://www.reuters.com/world/asia-pacific/vietnam-2023-economic-growth-slows-505-2023-12-29/#:~:text=HANOI%2C%20Dec%2029%20(Reuters).an%20intensified%20anti%2Dgraft%20crackdown)

¹⁷ <https://asia.nikkei.com/Economy/Philippines-misses-official-target-with-5.6-GDP-growth-in-2023>

¹⁸ <https://www.reuters.com/markets/asia/indonesia-2023-gdp-growth-slows-51-2024-02-05/>

¹⁹ <https://www.businesstimes.com.sg/singapore/singapores-2023-gdp-growth-revised-down-marginally-11-2024-forecast-kept-1-3>

MANAGEMENT DISCUSSION AND ANALYSIS BY THE GROUP CHIEF EXECUTIVE OFFICER



The Group is delighted to announce its **record-breaking profit**, surpassing RM1 billion in EBITDA with an impressive **RM1.04 billion in FYE 2023**. Throughout the year, the Group successfully decreased its borrowings by RM574.63 million, resulting in a reduced net gearing ratio of 0.60 times.

TAN SRI LAU TUANG NGUANG
Non-Independent Executive Director &
Group Chief Executive Officer



Management Discussion and Analysis by the Group Chief Executive Officer

INTRODUCTION

Despite challenging business environment in 2023 due to global supply chain disruptions, interest rate hikes and the weakening of local currencies against US Dollar, the Group is thrilled to deliver another breakthrough result for financial year ended (“FYE”) 31 December 2023.

Disrupted global supply chains continues through from 2022 due to extreme weather events caused by climate change which had impacted corn and soybean meal prices. This was worsened by Ukraine-Russia war which had the potential to spiral into global conflict. The escalation of Israel-Hamas conflict since October 2023, further deteriorated the sluggish global economy and caused crude oil price to surge above USD80/barrel in October 2023¹. We are fortunate that average corn price trended downward by 24.7%² in August 2023, compared with a year ago. This decline was attributed to the increased supplies from the US and Brazil, coupled with stagnant demand. While soybean meal average price also softened by 3.5% in August 2023 from a year ago despite a short surge in November 2023 prior to waning in December 2023³.

While corn and soybean meal prices which were traded in US dollars were trending downwards, the local currencies where our operating subsidiaries are located had also weakened by 1.9% to 3.8% on 12-month average compared to 2022. Amongst all, Ringgit was the most depreciated currency where it had weakened from average of RM4.19 - USD1.00 in January 2022 to average of RM4.66 - USD1.00 in December 2023, a 11.2% decline which made import more expensive⁴.

While commodity prices have softened, they are still high compared with 2020. In August 2020, corn price averaged USD325 (RM1,361) per 100 bushel while soybean meal averaged USD298 (RM1,248) per MT. In contrast it averaged USD469 (RM2,185) per 100 bushel for corn and USD399 (RM1,861) per MT for soybean meal in December 2023.

FINANCIAL PERFORMANCE REVIEW

It is vital to embrace a cautious and strategic management in charting the business direction during hard times to deliver out sized results. We are delighted to announce our consecutive record-breaking yearly financial performance and the achievement of our best-ever results in FYE 2023. The Group’s profit attributable to owners of the Company (“PATMI”) surged to RM301.7 million in FYE 2023 from RM218.9 million a year ago as cumulative revenue grew 5.5% to RM9.5 billion. In addition, EBITDA exceeded RM1 billion for the first time at RM1.04 billion.

Revenue of livestock and poultry segment improved to RM5.2 billion from RM5.0 billion in FYE 2022 driven by robust broiler day-old-chicks (“DOC”) average selling price and better table egg average selling price from improved sales mix and sales volume in Malaysia while feedmill revenue jumped 7.9% y-o-y to RM4.4 billion bolstered by its higher sales volume and average selling price in Indonesia and The Philippines.

Chicken and egg are staples of the Malaysian diet. The per capita consumption of chicken meat stood at a sizeable amount of 48.0kg while per capita consumption of table egg averaged 374 per year in 2022⁵ - one of the highest in the world. With the supply of broiler chicken having caught up with demand, the Malaysia government lifted the ceiling price controls on broiler chicken with effect from 1 November 2023 to allow the market price to float freely and at the same time ceased the broiler chicken subsidy. Floating the price of broiler chicken gives the industry unfiltered information on the actual demand and supply dynamics of the market. Higher prices indicate there is not enough supply in the market, hence producers can increase production to meet demand. It creates a healthier and more sustainable poultry industry in long term.

On 22 December 2023, Leong Hup Feedmill Malaysia Sdn Bhd (“LFM”), a wholly-owned subsidiary of the Company 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 imposition of financial penalty of RM157.4 million on LFM. The Company and LFM strongly believe that MyCC’s finding of infringement is without merit and had on 9 January 2024 appealed the Decision via the filing of the Notice of Appeal with the Competition Appeal Tribunal after consultation with our external legal counsels.

In overall, our Malaysia operation delivered superb results for FYE 2023 with a revenue of RM2.4 billion while earnings before interest, tax, depreciation and amortisation (“EBITDA”) surged from RM360.8 million in FYE 2022 to RM583.3 million in FYE 2023.

Management Discussion and Analysis by the Group Chief Executive Officer

Our Indonesia's earning bottomed out during Q1'23 but improved subsequently, after the Indonesian government reimposed the culling of hatching eggs from Q2 2023. The normalisation of raw material prices and easing supply chain bottlenecks alleviate margin pressure in FYE 2023. During the year, our broiler chicken sales volume in Indonesia jumped by 19.7% which lowered our fixed operating cost per bird. We also achieved higher sales volume and average selling price of livestock feed in Indonesia. Its EBITDA improved to RM171.7 million in FYE 2023 from RM138.3 million a year ago.

Vietnam had an intensely hot summer and the unprecedented drought in mid-2023 strained energy supplies in northern Vietnam, resulting in rolling blackouts and sudden power outages that caused upheavals among manufacturers. Vietnam is a regional manufacturing hub that relies heavily on trade. Exports fell 4.4% from 2022 to USD355.5 billion⁶ due to weaker demand from key trade partners such as United States and China. Reduced factory orders led to layoffs in the manufacturing sector which affected lower-income consumers while bearish real estate market affected middle and upper income consumers. Challenging external environment and weaker domestic demand led to a slowdown in economic growth to 5.05% in 2023 from an expansion of 8.02% in 2022⁷.

Our sales in Vietnam were affected by weaker purchasing power. Our broiler chicken sales volume shrunk by 11.3% while DOC sales volume dropped by 32.4% in FYE 2023. Although average livestock feed selling price was marginally higher, average selling price of broiler chickens and DOC were about 9% lower compared to prior year. Our Vietnam's revenue slid to RM2.1 billion from RM2.2 billion in FYE 2022 as consumers reined in spending. As a result, EBITDA slid from RM145.4 million in FYE 2022 to RM141.1 million in FYE 2023.

Singapore's GDP grew by 1.1%, in 2023 moderating from the 3.8% growth in 2022⁸. Malaysia's broiler chicken export ban on 1 June 2022, which was partially lifted on 11 October 2022 and fully lifted on 1 July 2023 caused significant changes to our market in Singapore. Some of our customers in Singapore have shifted to the purchase of frozen chicken instead of fresh chicken. Frozen chicken in Singapore are mainly from South America and commands lower margins. Nevertheless, the resumption of broiler chicken export had allowed EBITDA to strengthen to RM81.6 million in FYE 2023 from RM60.1 million in FYE 2022.

According to the Philippine Statistics Authority, The Philippines' average inflation was 6.0% in 2023, 0.2% higher than 2022⁹. Its annual GDP growth came in at 5.6%, well short of the 7.6% pace a year ago¹⁰. Since

May 2022, the Monetary Board of Bangko Sentral ng Pilipinas (BSP) has raised its benchmark rate by a total of 350 basis points in 2022 and another 100 basis points in 2023 to curb inflation causing BSP's Target Reverse Repurchase rate to soar from 2.0% to 6.5%. Rising inflation and interest rate hikes dampened household spending as wages had not risen as quickly.

Our Philippines operations changed strategy to sell more broiler chicken and dressed chicken instead of DOC to optimize unit margins. This is an advantage of our integrated poultry business as we can decide the most optimal point in the value chain to monetise our products when there is demand-supply imbalance.

Our Philippines livestock feed segment continue to grow as sales volume soared by 85.0% in FYE 2023 compare to a year ago. As our plant in Sapang, Central Luzon achieved more than 90% utilisation since Q3'22, we had out sourced some production to a third party for some months which increased our monthly production by 4,752MT while awaiting for our 2nd palleting line with 14,000MT capacity at Sapang to be commissioned. As a result, our Philippines' revenue boosted to RM576.6 million in FYE 2023, 45.7% higher than prior year while EBITDA improved to RM65.7 million in FYE 2023 from RM60.6 million registered in FYE 2022.

As both our livestock and feed segment continues to grow, our Group's balance sheet strengthens. As at 31 December 2023, our shareholders' funds increased to RM3.0 billion and net assets attributable to ordinary equity holders increased to RM0.61 per share, representing an increase of 11.6% from a year ago, as we closed the year with a lower net gearing ratio of 0.60 times.

CAPITAL EXPENDITURE

Our Group invested RM229.6 million in capital expenditure ("capex") during FYE 2023. Our capex is driven by our focus to meet the long-term demand upside for meat protein within our footprints in Southeast Asia. We continue to cautiously deploy resources towards our downstream business, such as our business-to-consumer channels as well as coldrooms, to enhance revenue and preserve margins. We believe that these downstream investments are essential to our Group's ongoing Farm-to-Plate strategy, as we continue to expand our upstream activities and deliver an overall business that is resilient and sustainable.

Management Discussion and Analysis by the Group Chief Executive Officer

RISK AND MITIGATING MEASURES

Biosecurity and Disease Control

Outbreaks of livestock diseases at our poultry farms or facilities could significantly restrict our ability to conduct our operations. Avian Influenza such as H5N1 and H7N9 are highly contagious among birds and can cause sickness or death of domesticated birds, including chickens, geese, ducks and turkeys. In the event that disease afflict our livestock, it will have an adverse impact on our productivity and mortality of our livestock, which would then have an adverse effect on the revenue and profitability of our Group. Recognising the importance of this risk, the management team implemented measures to mitigate this risk with stringent biosecurity control at our livestock farms. Our chicken farms are mainly closed house farming system to minimize the impact of disease transmission through open air. Additionally, we also have dedicated veterinarians for our livestock farms to ensure that our livestock are healthy.

Selling Price Volatility

The prices of our products sold on the open market under our Livestock business, including broiler chickens and DOC, have historically been subject to wide fluctuations due to changes in demand and supply conditions. The changes in demand and supply conditions are primarily due to seasonal factors such as weather, festive seasons and school holidays. Changes in demand and supply conditions or the occurrence of other factors beyond our control in the future may result in unusual movements in selling prices or affect our selling prices negatively. Consequently, our quarterly financial results may also be affected by such fluctuations. We minimize our exposure through vigilance and close monitoring of prevailing market prices and we remain focused on our cost optimization strategy. Additionally, our investments in our business-to-consumer channels such as The Baker's Cottage chain have enabled our Group to stabilize profit margins.

Succession Planning

We believe that our future success is heavily dependent upon the continued service of our Executive Directors and key senior management team who have valuable experience in the business in which we operate.

We believe we offer attractive terms of employment including an employee share option scheme, which is crucial for our Group to attract and retain qualified personnel. In addition, our Group views proactive succession planning as a strategic importance to ensure long term continuity of business and operations. We will continue to recruit more professional staff and to retain them for dedicated needs in our organisation.

OUTLOOK

We expect the operating environment to remain challenging for the rest of 2024 especially with the increase of Sales and Service Tax (SST) by 2% and additional scope of SST in Malaysia which will add to the cost-push inflation and dampen consumer sentiment. On the other hand, we look forward to the subsidy rationalisation which should benefit the lower income groups which have higher propensity to consume. This would increase overall demand in the economy and the higher economic multiplier effect would increase consumption of our products.

The Group will remain steadfast to emphasis on cost management, efficiency improvement and automation initiatives across our operations. We will constantly monitor the macro headwinds and take appropriate measures to alleviate the impacts using our integrated business model to bolster our market share in line with our volume expansion.

Management Discussion and Analysis by the Group Chief Executive Officer

DIVIDEND POLICY

We have a target payout ratio of 30.0% of our PATMI of each fiscal year on a consolidated basis after taking into account reinvestment opportunities for further expansion in our businesses. On 18 April 2023, the Company declared dividend of 1.80 sen per ordinary share, amounting to RM65,700,000 in respect of the financial year ending 31 December 2023 and paid to shareholders on 23 May 2023.

On 28 November 2023, the Group had declared a single tier dividend of 1.20 sen per ordinary share in respect of the financial year ended 31 December 2023 and paid on 29 January 2024. On 25 April 2024, our Board had declared a single tier dividend of 1.3 sen per ordinary share which will be paid to shareholders on 27 May 2024 for financial year ending 31 December 2024.

¹ (Source: <https://www.nasdaq.com/market-activity/commodities/cl:nmx>)

² (Source: <https://www.nasdaq.com/market-activity/commodities/zc/historical>)

³ (Source: <https://www.nasdaq.com/market-activity/commodities/zm/historical>)

⁴ (Source: <https://www.bnm.gov.my/exchange-rates>)

⁵ (Source: <https://www.dvs.gov.my/index.php/pages/view/4564>)

⁶ (Source: <https://asia.nikkei.com/Economy/Vietnam-s-5-economic-growth-for-2023-misses-official-target>)

⁷ (Source: <https://www.bloomberg.com/news/articles/2023-12-29/vietnam-economy-has-strength-as-quarterly-growth-beats-estimates>)

⁸ (Source: <https://www.singstat.gov.sg/-/media/files/news/gdp4q2023.ashx>)

⁹ (Source: <https://psa.gov.ph/price-indices/cpi-ir>).

¹⁰ (Source: <https://www.psa.gov.ph/content/gdp-expands-56-percent-fourth-quarter-2023-brings-full-year-2023-gdp-growth-rate-56-percent>)



SUSTAINABILITY STATEMENT

As one of Southeast Asia leading fully integrated poultry producers, Leong Hup International Berhad and its subsidiaries strive to conduct its business practices in a responsible and sustainable manner.



Sustainability Statement

Leong Hup International Berhad, a leader among Southeast Asia’s fully integrated poultry producers, continues to uphold its commitment to sustainable and ethical growth. Our 2023 focus was clear: to enrich our business practices with sustainability at their core, ensuring that as we grew, we positively impacted our region’s environment and its people.

Leong Hup International Berhad (“LHI”) and its subsidiaries (“LHI Group” or “Group”) is committed to ensure that it continues to grow and stay relevant within its Southeast Asia footprint, by embedding appropriate elements of sustainability across our businesses and operations.

The content of this Sustainability Statement (“Statement”) reports on the Group’s on-going sustainability initiatives for the financial year ended (“FYE”) 31 December 2023 and illustrates our various endeavours to build up the three key pillars of our sustainability efforts, namely economic, environmental and social (“EES”) aspects. This Statement is prepared in accordance with Paragraph 29, Part A of Appendix 9C and Practice Note 9 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and has also considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa Securities. For this report, the Group did not enlist external or internal assurance but may contemplate it in the future. We have relied on internal data and mechanisms to ensure the accuracy of the information disclosed herein.

GOVERNANCE STRUCTURE FOR SUSTAINABILITY

The Group recognises that sustainability is the collective responsibility of all responsible and ethical corporate citizens. Towards this end, we are committed to ensure that our businesses are conducted with integrity through good governance, taking into cognisance industry best practices as well as prevailing rules and regulations. Our Board holds ultimate responsibility in ensuring the Group’s strategy supports long-term value creation and includes strategies on EES considerations underpinning sustainability.

The Group formalised its commitment on ESG journey on 28 November 2023, following the formation of its Sustainability Committee (“SC”). The SC is led by Datuk Lau Joo Hong as committee chairman and Tan Sri Dato’ Lau Eng Guang and Tay Tong Poh as committee members. The SC assists the Board in discharging its duties pertaining to sustainability matters, which its roles and responsibilities are set out in the Terms of Reference of Sustainability Committee.

SCOPE

This report covers our main areas of business, which are Feedmill and Livestock operations in Malaysia, Singapore, Indonesia, Vietnam, and The Philippines. We run our business in these countries as described below:

	 MY	 ID	 SG	 VN	 PH
Business operations					
Feedmill	✓	✓	–	✓	✓
Livestock:					
- Breeder	✓	✓	–	✓	✓
- Layer	✓	✓	–	✓	–
- Broiler	✓	✓	–	✓	✓
- Food Processing Production (“FPP”)	✓	✓	✓	–	–
- Quick-Service Restaurant (“QSR”)	✓	✓	–	–	✓

Sustainability Statement

STAKEHOLDER ENGAGEMENT

At Leong Hup International Berhad, we believe in the power of open communication and responsibility to maintain the trust and support of our stakeholders. Our efforts to engage and listen to our stakeholders form the core of our business strategy. Here's a summary of how we connected with our stakeholders throughout the financial year 2023:

Stakeholder Groups	Engagement method	Frequency of engagement
Government agencies, law enforcers and regulators	Face-to-face meeting	Regular
Customers & end-consumers	Face-to-face meeting Customer survey Social Media	Regular Ad hoc Regular
Employees	Townhall Dialogue Performance appraisal Employee survey	Regular Regular Regular Regular
Local community	Public feedback channel Face-to-face meeting	Ad hoc Ad hoc
Suppliers	Face-to-face meeting	Regular
Investors	Annual General Meeting Written communications	Annual Regular

MATERIALITY MATRIX

Materiality matrix reflects the significance of matters towards our business growth and stakeholders' interest. It is established based on the results of a materiality assessment and important to ensure LHI's business remains on track to create sustainable value for all our stakeholders.

The materiality assessment conducted by the Group has highlighted several key sustainability issues that are crucial to our operations, particularly in the areas of EES aspects. These issues are also among the common sustainability concerns detailed in Annexure Practice Note 9-A ("PN9-A") of the Listing Requirements of Bursa Securities. This year, we have maintained our material sustainability matters and their prioritisation as of FYE 31 December 2023. The materiality matrix is illustrated below:



Sustainability Statement

MATERIALITY MATRIX (CONT'D)

We define material sustainability matters as those reflecting the Group's significant EES impacts or substantially influence stakeholder assessments and decisions in accordance with Listing Requirements and the common material sustainability matters set out in Annexure PN9-A. Senior leaders of our business operations, including the Executive Committee and their delegates, determined the most relevant material sustainability matters relating to the EES aspects, taking into consideration views and concerns of our stakeholders.

The materiality assessment process has identified the following material sustainability matters for the Group.

- **Food Safety and Quality Control**
- **Biosecurity**
- **Waste Management**
- **Occupational Safety and Health**
- **Employee and Talent Development**

SUSTAINABILITY EFFORTS

Driven by the Group's commitment to excellence, we prioritise high-quality animal feed and poultry products. Considering economic, environmental, and social aspects, our aim is a positive impact on the well-being of all involved.

1. **Towards the economy**

1.1. **Food Safety, Quality Control and Certification**

We are one of the largest fully integrated producers of poultry, eggs, and livestock feed in Southeast Asia, operating in Malaysia, Singapore, Indonesia, Vietnam and The Philippines. Poultry is the preferred animal-based protein with consumers in our operating markets, given its relative affordability and quality. As a provider of food source, the Group commits itself to ensuring the safety of food products and delivering accountability to public safety where food consumption is concerned. In respect of our Livestock business, food safety and quality control become pertinent where human consumption of the Group's product is involved and this include egg production, farming of broiler chickens and FPP operations. In respect of our Feedmill business, livestock feed produced by the Group plays an important role in the growth and health of livestock and consequently, ensures uninterrupted supply of meat protein in the food production chain.

The Group's ability to ensure food safety and quality control stems from management practices and standards adopted by the Group's various business operations, which take into account various considerations including, among others, local laws and regulations, international standards, certifications, market demand, as well as existing industrial practices in ensuring the safety and quality of food products.

Food safety controls including risk assessment, hazard analysis, traceability procedures, hygiene controls, are established in our operations to ensure systematic management of food safety. A number of the Group's feedmills, egg production and FPP operations across the region adopts international standards and certifications such as ISO 9001 Quality Management System ("ISO 9001"), ISO 22000 Food Safety Management System ("ISO 22000"), FSSC 22000 Food Safety System Certification ("FSSC 22000"), Safe Food Industry Responsibility ("MeSTI") or Veterinary Control Number ("Nomor Kontrol Veteriner" / "NKV").

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

1. Towards the economy (Cont'd)

1.1. Food Safety, Quality Control and Certification (Cont'd)

Business operations	Malaysia	Indonesia	Singapore	Vietnam	The Philippines
Feedmill	<ul style="list-style-type: none"> ISO 22000 	<ul style="list-style-type: none"> ISO 9001 ISO 22000 HACCP GMP NKV 	NA ⁽¹⁾	<u>Medicine & Vitamin Plant</u> <ul style="list-style-type: none"> GMP ISO 17025⁽⁷⁾ <u>Feedmill Plant</u> <ul style="list-style-type: none"> ISO 22000 HACCP 	NA ⁽¹⁾
Livestock	<u>Layer/Broiler/Breeder/Duck Farms</u> <ul style="list-style-type: none"> MyGAP <u>FPP</u> <ul style="list-style-type: none"> Halal ISO 22000 ISO 9001 HACCP MeSTI VHM⁽⁵⁾ <u>QSR</u> <ul style="list-style-type: none"> Halal 	<u>Layer Farms</u> <ul style="list-style-type: none"> NKV <u>Breeder Farms</u> <ul style="list-style-type: none"> CFOAI⁽³⁾ SNI⁽⁴⁾ <u>Boiler Farms</u> <ul style="list-style-type: none"> CFOAI⁽³⁾ <u>FPP</u> <ul style="list-style-type: none"> Halal HAS 23000⁽⁶⁾ ISO 9001 ISO 22000 HACCP GMP NKV 	<u>FPP</u> <ul style="list-style-type: none"> Halal FSSC 22000⁽²⁾ 	<u>Layer Farms</u> <ul style="list-style-type: none"> Halal ISO 22000 	NA ⁽¹⁾

Notes:

- 1) NA means not applicable
- 2) FSSC 22000 covers both ISO 22000 and HACCP
- 3) Compartment Free of Avian Influenza
- 4) SNI ("Standar Nasional Indonesia") for Day Old Chick
- 5) Veterinary Health Mark
- 6) Halal Assurance System Status
- 7) For Testing and calibration laboratories

Most of the Group's feedmills, egg production facilities and FPP operations across Malaysia, Indonesia, Singapore and Vietnam have obtained certification for either ISO 9001 or ISO 22000, or its alternative – FSSC 22000, save for a medicine and vitamin plant in Vietnam which operates in accordance with World Health Organisation's Good Manufacturing Practices ("GMP") and Vietnamese law and regulations pertaining to manufacturing of veterinary drugs. In addition, 87.5% of our layer farms and approximately 70.7% of our broiler chicken farms in Malaysia have obtained the Malaysian Good Agricultural Practices ("MyGAP") certification by the Department of Veterinary Services of Malaysia. MyGAP is a prerequisite for overseas export of livestock, which requires farmhouses to operate on a closed-house system ("CHS") with comprehensive farm management and considerations given to animal welfare and health, safety and environment standards.

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

1. Towards the economy (Cont'd)

1.1. Food Safety, Quality Control and Certification (Cont'd)

Aside from the medicine and vitamin plant in Vietnam, a number of our key operations have also obtained Hazard Analysis and Critical Control Points (“HACCP”) certification, which ensures safety controls are in place, managed, and functioning effectively, in order to manage the safety hazards identified via a systematic analysis of the operations. In order to maintain the ISO 9001, ISO 22000 and FSSC 22000 certifications, independent surveillance audits are conducted on an annual basis, and independent recertification audits are conducted once every three years to renew the certifications. By adopting these quality or food safety standards and certifications, we ensure that food safety and quality standards are clearly set out, communicated and complied with throughout our operations. Any ineffectiveness of our food safety and quality management process will be highlighted via our internal audit activities or annual ISO audit activities for remedial actions to be conducted. During the financial year under review, there were no reported food safety issues.

Halal Certification

Serving markets with a majority of Muslim consumers, e.g. Malaysia and Indonesia, it is crucial for our products to be halal-certified to ensure the Muslim consumer base is served. We offer halal-certified poultry products across our consumer markets in Malaysia, Singapore and Indonesia, and adhere to halal procedures across our relevant FPP and downstream operations.

Trainings

Given the complexity of the Group’s operating structure, it is important for our employees to have comprehensive knowledge with regards to the processes and practices in place for the purpose of food safety and quality management controls. Hence, we are committed to invest in trainings for employees on subject matters such as the ISO standards, HACCP, GMP, food handling and safety, etc. Relevant employees in our Feedmill and Livestock operations receive trainings on food safety and quality control provided by the Group at least on an annual basis. Apart from internal controls and assurances, we also have in place formal and informal channels to enable concerns or complaints to be raised for the attention of the Group.

1.2 Biosecurity

We recognise the benefits of adopting CHS for flock management, enabling better control over the biosecurity and climate factors such as temperature, humidity, light and airflow, which affect both the growth and health of poultry, thereby offering improved levels of biosecurity. We run our farms on an “all-in-all-out” cyclical basis, with each farm being “offline” for approximately three weeks, prior to subsequent batch of day-old-chicks entering into the farmhouse. This decreases the likelihood of diseases spreading and allows us to sanitise the farms when they are “offline”. As at 31 December 2023, approximately 99.0% of the Group’s flocks are managed in CHS.

We place great importance on monitoring of flocks in each of our farms. Mortality and growth rates are routinely monitored by qualified veterinarians and benchmarked against industry standards to identify any systemic or one-off issues. In addition, the on-site veterinarians conduct pre- and post-mortem inspections at our farms and slaughtering plants, respectively.

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

1. Towards the economy (Cont'd)

1.2 Biosecurity (Cont'd)

As at 31 December 2023, the Group's broiler operations, located in Malaysia, Indonesia, Vietnam and The Philippines, are supported by more than 964 contract farmers (851 as at 31 December 2022) licenced by relevant local authorities to accommodate the size of market demand in these markets. In this regard, we ensure food safety and quality by conducting frequent visits to these contract farms, and sometimes via formal audits. Any identified practices, or non-adoption of necessary practices, which jeopardises hygiene, safety and quality of meat produce will be highlighted to contract farmers for remedial actions to be undertaken, failing which the business partnership will be reassessed and terminated where necessary.

In forming business partnerships with contract farmers, we are also guided by strict selection criteria, with due consideration given to, among others, the experience, track record, and existing practices adopted by the contract farmers. The Group continued emphasis on increasing the use of own broiler farms rather than contract farms has also resulted in higher farm efficiency, as we are able to run our farms better than most of our contract farmers, who are smaller and less experienced than we are. This is also in line with the Group's "Farm-to-Plate" business model which allows us to effectively manage quality while optimising cost efficiencies across the value chain. By doing so, it allows our industry to promote sustainable growth while at the same time, produce more broilers to ensure national food security.

As for our Feedmill operations, similar measures have also been deployed, including disinfection spraying for trucks and pest control measures. In addition, our medicine and vitamin plants are also supported by veterinarians in the formulation of nutrition and disease-control components and composition in our livestock feed.

2. Towards the Environment

2.1 Waste Management

The Group prioritizes responsible hazardous and non-hazardous waste management across our operations to protect the environment. We actively divert waste from disposal where possible, minimizing environmental impact. However, recognizing the necessity, we also ensure proper disposal of waste, striking a balance in our commitment to environmental responsibility.

Hazardous Waste

We have strict policies on handling and disposal of hazardous waste in accordance with local laws and regulations, to ensure employees and workers are provided with safety guidelines with regard to handling hazardous waste and to ensure business responsibility in environmental protection is carried out. Across the Group's operations in Malaysia, Indonesia, Vietnam, Singapore and The Philippines, qualified contractors with valid licences in handling hazardous waste are contracted to safely dispose hazardous waste generated by our operations. Where required by local laws and/ or regulations, we ensure that our waste management contractors have obtained the necessary pre-approval by relevant authorities to perform such services.

Hazardous waste is largely generated from the Feedmill operations including medicine and vitamin plants. Examples of hazardous waste includes liquid chemicals such as various types of acids and alkalis, used oils and etc.

Where possible, we endeavour to take further steps to generate value from some hazardous waste. For example, in our Vietnam medicine and vitamin plant, we have contracted qualified contractors to clean plastic containers, which had been previously used to contain hazardous chemicals, in accordance with procedures permissible by local laws and regulations. The cleaned plastic containers are non-hazardous, safe for re-use and are sold to generate income for the business. Hazardous waste generated from other business segments, such as used injection needles and used medicine bottles from broiler, breeder and layer operations are also disposed off in accordance with local laws and regulations.

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

2. Towards the Environment (Cont'd)

2.1 Waste Management (Cont'd)

Non-Hazardous Waste

The chicken manure from the farm can either be disposed off, donated/sold to local community or small businesses, or recycled into organic fertilisers. Chicken manure is rich in nitrogen, phosphorus and potassium, and is a great form of fertiliser. We create organic fertiliser derived from fully fermented chicken manure, processed into granular form. Our fertiliser undergoes a rigorous manufacturing process utilizing cutting-edge technologies. By recycling chicken manure, we transform it into organic fertiliser, enhancing soil structure and quality for improved nutrient and water retention. The management of chicken manure goes beyond a business requirement to dispose the by-product, but also to reduce nuisance such as odour problems in the surrounding community. One of the effective ways to manage this is to manage flocks in a CHS, which we have been aggressively implementing over the last several years. In addition, we have also invested in the upgrading of facilities for increased capacity for handling manure such as installation of manure belts in layer houses in Malaysia.

Non-hazardous waste generated from Feedmill operation includes mainly packaging materials and raw material waste, such as corn, soy and wheat hull, and are mainly sold for recycling or used for other purposes. As for broiler chicken slaughtering operations, the main types of waste generated include chicken blood, chicken/ duck feathers, chicken/ duck inner parts. Where demand is present, some of the waste are sold or donated to the community, while the rest are disposed off accordingly. On the other hand, waste generated from FPP operations includes a mixture of food waste, such as sludge, frying oil and bones, and is not suitable for re-use or recycle. Therefore, most of this waste is disposed in accordance with local laws and regulations.

We have in place systems to properly manage and treat wastewater from our operations prior to disposal into the public water system. Generally, all wastewater is treated to remove large particles, harmful chemical and biological substance which will affect the quality of public water system. Wastewater treatment is commonly managed via on-site water treatment plants, which may include septic tanks, retention ponds, while the treatment process in some operations, such as those based in Singapore, are managed by service providers at a fee.

We undertake continuous effort to monitor our waste management systems and practices in delivering our responsibility to the environment and public while optimising business value at the same time.

Sustainability Statement

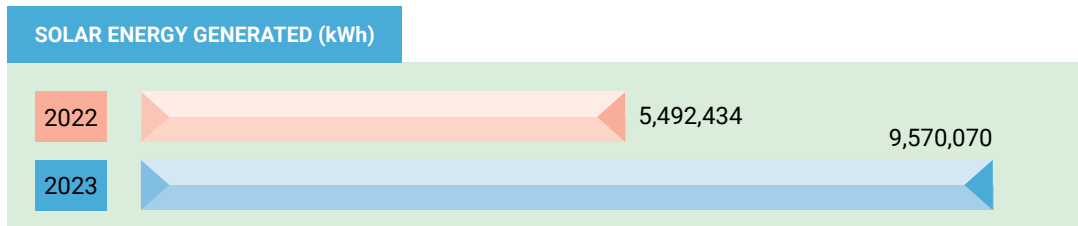
SUSTAINABILITY EFFORTS (CONT'D)

2. Towards the Environment (Cont'd)

2.2 Energy Management

Poultry, eggs, and livestock feed production are energy-intensive processes that require substantial electricity consumption. We believe it is important to source energy in a sustainable manner by continuously identifying opportunities to shift from non-renewable to renewable energy sources.

The Group secures electricity for its operations from the national grid, primarily powered by fossil-fired plants. Additionally, LHI relies on fuel as a secondary energy source, utilized for its vehicles, machinery, equipment, and power generators during site work, especially in areas where grid electricity is intermittent or unavailable. Furthermore, there is an ongoing transition towards renewable energy through the installation of solar systems at our farm and central packing station. The solar energy installation experienced a 74% increase, rising from 5,492,434 kWh to 9,570,070 kWh. The graph provided below depicts the growth in solar energy generation.



We care about the environment, so at our workplace, we do things to be eco-friendly. We save energy by setting the air conditioning at a reasonable level and turning off machines when not in use. We recycle in our offices and use recycled paper whenever we can to reduce the need for new paper.

Further details of our Energy Consumption are detailed in Table 1 on page 58.

2.3 Water

Water serves as an essential and renewable resource critical for the communities in which we are active. Despite its renewable nature, the pressing issue of water scarcity persists globally due to the impacts of climate change, inadequate water resource management, and contamination. As such, it is paramount for us to continually monitor water availability and implement effective management strategies across all our facilities.

The Group's approach to water resource management is shaped by two main considerations:

- Enhancing efficiency in water usage from both business and operational standpoints.
- Ensuring that our business activities do not compromise the quality of nearby water bodies.

As at 31 December 2023, LHI's water consumption and treated waste water are detailed as follows:

Sustainability Matter	Indicator	Measurement	FYE 2023
Water (Common Sustainability Matter)	(a) Total Volume of Water Used (Common Indicator)	Megalitres	3,849
Waste Water	(b) Total Volume of treated waste water	Megalitres	790

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

3. Towards the Society

3.1 Occupational Health and Safety

Operationally, the work of employees and workers in the Feedmill and Livestock operations which may pose health and safety risks include the following:

- operating high temperature equipment, e.g. boilers;
- handling of chemicals, e.g. pesticides, disinfectant, acids and alkalis;
- operating transportation equipment, e.g. forklift and trucks;
- working with machinery or dangerous tools, e.g. in slaughterhouse;
- exposure to hazardous gases, e.g. ammonia, methane, pesticides and disinfectant; and
- exposure to zoonotic disease transmission mediums, e.g. bacteria, viruses and parasites from handling of raw meat.

Throughout our operations, standard operating procedures governing workplace safety and health procedures had been developed and implemented to ensure employees and workers perform their work according to procedures which minimises their exposure to health and safety risks and prevent physical, chemical or biological harm.

We regularly check and maintain our equipment and machinery to ensure they are in safe working condition. In addition, maintenance schedules are developed for machinery and equipment which poses greater health and safety risk to employees and workers, such as boilers used in Feedmill operations. Safeguards and controls are also put in place to minimise, where possible, human contact with moving parts of machinery or equipment in order to reduce risks associated with common machinery or machinery such as pinch points, shear points, wrap points and crush points.

Where handling of chemicals is required, employees and workers are guided by the Group's policies and procedures for chemical handling. Furthermore, chemicals used in the business operations are only handled by qualified personnel who are trained to handle and manage such chemicals.

To reduce the concentration of hazardous gases in the working environment, our CHS farms ensure that the facilities are well-ventilated and hazardous gas concentration are monitored to ensure a safe level of exposure is maintained.

We provide appropriate personal protective equipment ("PPE") to all employees and workers exposed to high-risk work hazards. For example, gloves are provided to employees working with sharp tools and handling chicken bones to prevent cuts and infections arising from cuts. Gloves and masks are also provided to employees and workers operating in farms and farmhouses and those handling live birds and raw meat, such as in broiler chickens, slaughterhouses and FPP operations, to protect workers from zoonotic diseases such as salmonellosis.

We are of the view that aside from PPE and having established procedures and policies in place to guide safe and healthy practices, safety and health education and training is also essential for employees and workers. This will enable them to understand the safety and health risks they are exposed to at the work environment and how to manage these risks. For the financial year under review, trainings provided to employees and workers include, but are not limited to the following subjects:

- occupational safety and health management systems;
- first aid;
- food handling training;
- use of PPE;
- fire and firefighting scenarios;
- working with machines, e.g. greasing, belt transmissions, etc.;
- hazardous materials and hazardous waste in workplace;
- forklift operations; and

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

3. Towards the Society (Cont'd)

3.1 Occupational Health and Safety (Cont'd)

Safety Training Programmes



"Asas Keselamatan dan Kesihatan di Tempat Kerja"
(Basic Workplace Safety and Health) Workshop.



Basic Fire Safety Training to provide knowledge of the prevention and protection from any potential fire incidents.



Occupational Safety and Health Coordinator Course.



Safe handling of vehicles training to allow employees/operators to know the functions and handling techniques. The training also taught on how to maintain and service forklift equipment to ensure safe operations.

During the financial period under review, there was a fatal incident involving an employee of the Group in Indonesia. The fatality occurred in traffic accident during the commute from his residence to the factory. Further details of our Occupational Health and Safety are detailed in Table 1 on page 58.

3.2 Employee and Talent Development

We believe that even the highest standards of business policies and processes will require the combined effort of people with the necessary skills and talent to deliver optimal performance. We view talent and skills in our workforce as a vital asset that needs to be developed and enhanced on an ongoing basis.

The Group provides trainings for our employees and workers based on training need analyses conducted during engagements with employees and workers such as during their performance appraisal sessions. The various categories of trainings include, but not limited to, the following:

- compliance-related trainings – where participants are trained on relevant laws, regulations, better practices, international standards;
- safety and health issues relating to business operations;
- environmental issues relating to business operations;
- skills and techniques required in business operations;
- awareness session on ethical business and work practices; and
- leadership workshops for management and executives.

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

3. Towards the Society (Cont'd)

3.2 Employee and Talent Development (Cont'd)

In FYE 31 December 2023, we provided trainings on the following subjects to our employees and workers:

<p>Management trainings</p>	<ul style="list-style-type: none"> • Leadership training (for advancement to management position) • Management training on workload analysis • Agile Malindo (workload analysis training) • Cyber security awareness • Introduction to integrated reporting • Train the trainer training
<p>Management systems, international standards, certifications and practices</p>	<ul style="list-style-type: none"> • Effective ISO audit • ISO 9001:2015 and 2018 Quality Management System • ISO 22000 Food Safety Management System • FSSC 22000 Food Safety Management System • HACCP • National Professional Certification Agency (BNSP) • Critical Control Point • Operational Pre Requisite Programme • Risk management • Halal certification • Good Manufacturing Practice • Lean Six Sigma • Effective Recruitment Techniques • Certified Environment Professional in Scheduled Waste Management
<p>Business operations, processes and general practices</p>	<ul style="list-style-type: none"> • Slaughtering skills • Forklift operating • Generic manufacturing skills • Operation of control room & palletmill • Inventory management, planning and control • Planning and budgeting • Food safety • Work etiquette • Work hygiene • Basic Occupational First Aider & CPR • Fire fighting
<p>Employee personal development skills and knowledge</p>	<ul style="list-style-type: none"> • Computer skills • Interpersonal communication • Teamwork and personal growth • Change management • Critical, analytical, design and project thinking • 4DX & Pareto Analysis • Taxation and accounting • Human resources skill

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

3. Towards the Society (Cont'd)

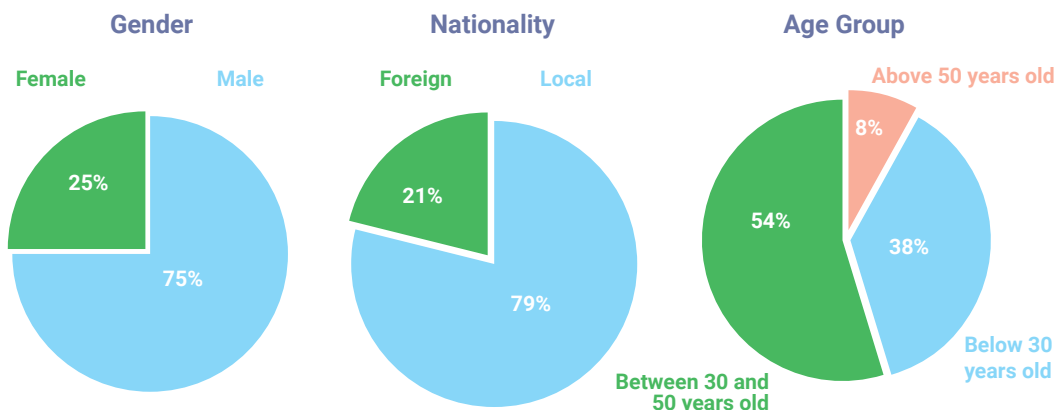
3.3 Workforce Diversity

In line with our belief that fostering a diverse and inclusive workplace is integral to our success, we are committed to upholding the principles of meritocracy in our employment practices. This means that we assess employees, workers, and prospective candidates based solely on merit, without any tolerance for discrimination. We firmly believe that maintaining diverse and inclusive workplaces not only drives innovation and creativity but also leads to better decision-making and helps us achieve our strategic goals as an organisation. Additionally, providing equal opportunities for all employees fosters greater satisfaction and encourages them to perform at their best.

A summary of the Group's workforce diversity indicators for the financial year under review is as follows:

Employee Diversity

Country	Malaysia		Singapore		Indonesia		Vietnam		The Philippines		Grand Total	
Total Number of employees	5,732		749		3,617		2,144		689		12,931	
Gender	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Male	4,119	72%	561	75%	3,008	83%	1,429	67%	608	88%	9,725	75%
Female	1,613	28%	188	25%	609	17%	715	33%	81	12%	3,206	25%
Nationality												
Local	3,598	63%	214	29%	3,602	100%	2,086	97%	673	98%	10,173	79%
Foreign	2,134	37%	535	71%	15	0%	58	3%	16	2%	2,758	21%
Age Group												
Employees <30 years old	2,555	44%	118	16%	1,099	31%	707	33%	386	56%	4,865	38%
Employees 30< x <50 years old	2,732	48%	420	56%	2,255	62%	1,293	60%	280	41%	6,980	54%
Employees >50 years old	445	8%	211	28%	263	7%	144	7%	23	3%	1,086	8%
Employee Category												
Manager & above	301	5%	54	7%	312	9%	82	4%	40	6%	789	6%
Executive	1,098	19%	217	29%	9	0%	124	6%	82	12%	1,530	12%
Non-Exec	4,297	75%	478	64%	2,972	91%	1,938	90%	567	82%	10,252	79%
Contractor & Temp Staff	36	1%	0	-	324	-	0	-	0	-	360	3%



Sustainability Statement

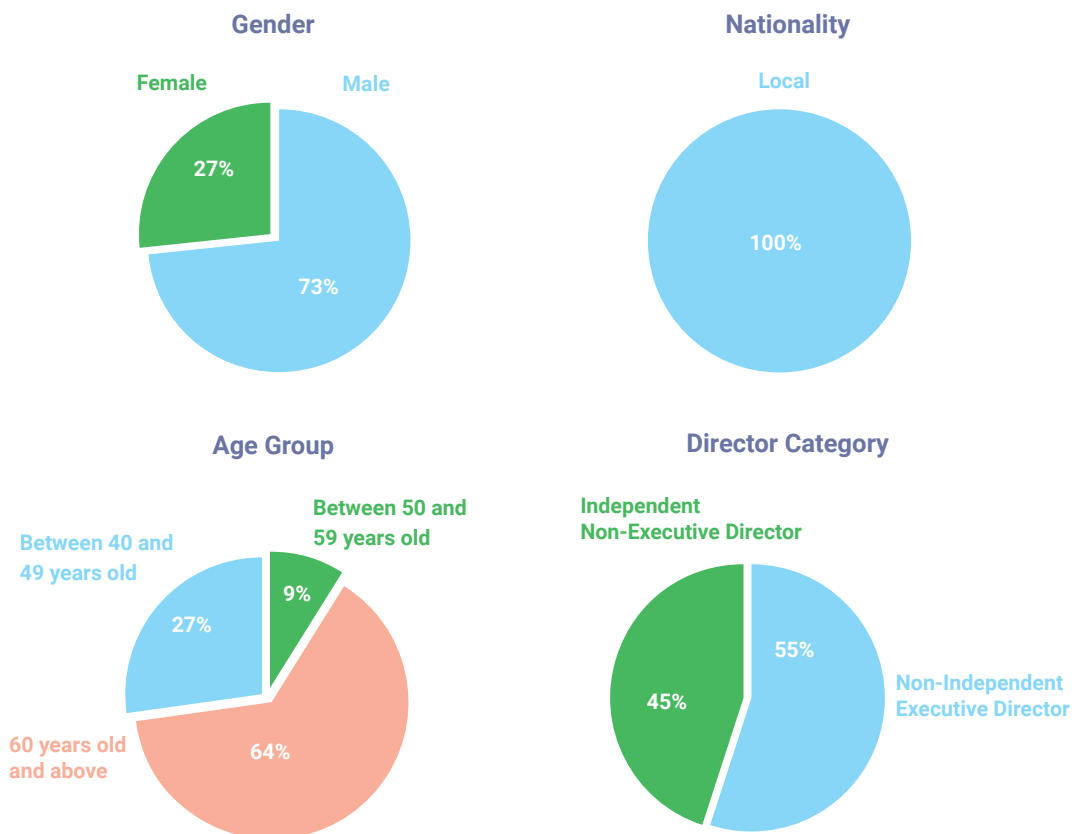
SUSTAINABILITY EFFORTS (CONT'D)

3. Towards the Society (Cont'd)

3.3 Workforce Diversity

Director Diversity

Total number of directors	11	
Gender	Number	%
Male	8	73%
Female	3	27%
Nationality		
Local	11	100%
Foreign	0	0%
Age Group		
40 - 49 years	3	27%
50 -59 years	1	9%
60 years and above	7	64%
Director Category		
Non-Independent Executive Director	6	55%
Independent Non-Executive Director	5	45%



Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

3. Towards the Society (Cont'd)

3.4 Community/Society Investment

We believe in giving back to the community. To achieve this, we support and encourage local initiatives, striving to enhance the lives of underprivileged communities through financial aid and humanitarian activities.

During this financial year, we have donated monies, food, detergent and consumer products to the frontliners of the hospital healthcare staff such as doctors, nurses and health care workers, firemen, police and to the poor. Our corporate social responsibility activities for 2023 include:

Common Sustainability Matter	Common Indicator	Measurement	FYE 2023
Community/Society	(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,106,512
	(b) Total number of beneficiaries of the investment in communities	Number	100

4. Towards the Business Compliance

4.1 Anti-Bribery and Corruption

In 2020, LHI implemented an Anti-Bribery and Corruption (“ABC”) Policy to ensure compliance with the Malaysian Anti-Corruption Act 2009. This policy prohibits all forms of bribery or corruption, applicable to Directors, employees, and third parties engaged with the Company.

Clear reporting channels have been established for any breaches of the ABC Policy, including provisions within the Whistleblowing Policy and the Code of Conduct and Ethics for Directors and Employees.

Furthermore, we have communicated and required acknowledgment from our suppliers, customers, third-party intermediaries (such as transporters and consultants), and employees to affirm their agreement to adhere to the ABC Policy when conducting business with us.

An exhaustive evaluation of corruption risks encompasses a wide spectrum, including bribery. LHI conducted due diligence on its personnel, business associates, contractors, agents, projects, significant business activities, and new partners across its operations.

Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

4. Towards the Business Compliance (Cont'd)

4.1 Anti-Bribery and Corruption (Cont'd)

In 2023, we are pleased to report that there were no confirmed incidents of corruption. The Group will continue to target zero incidents of corruption in the Group for the next financial year and beyond.

Further details of our Anti-Bribery and Corruption in Table 1 on page 57.

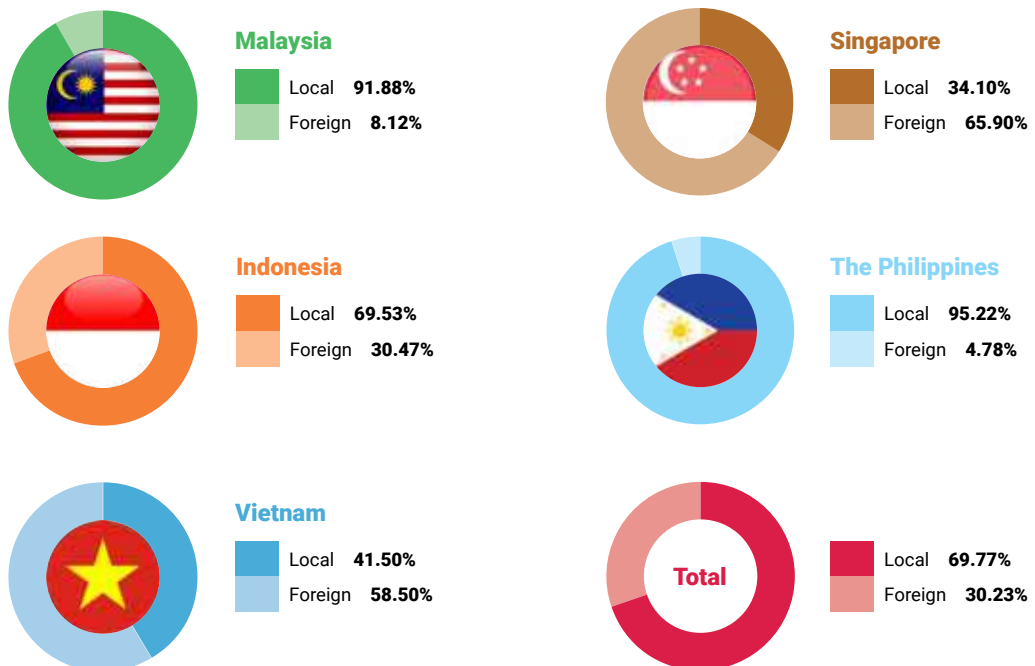
4.2 Supply chain management

LHI is dedicated to supporting the local economy, exemplified by our preference for partnering with nearby suppliers whenever possible. We are convinced that by collaborating with local suppliers, we can contribute to economic growth and job creation within the communities where we operate. Moreover, working closely with local suppliers offers various benefits, including shorter lead times, improved communication channels, and greater flexibility within the supply chain.

In alignment with our commitment to transparency and fairness, LHI upholds transparency and traceability in its procurement processes, ensuring unsuccessful tender participants are notified. Procurement policy at LHI requires a transparent approach across all its operations. Suppliers with the best value proposition, which comprises cost, quality, performance track record, and other factors, will be awarded projects. Additionally, all suppliers comply with LHI's procurement policies, including the Code of Conduct, Anti-Bribery and Corruption, and Safety, Environmental, and Health regulations.

In FYE2023, the Group only had 30.23% of procurement expenses allocated to foreign suppliers for raw materials, further emphasizing our commitment to supporting the local economy and reinforcing our dedication to collaboration with nearby suppliers whenever feasible.

Community-Centric Sourcing



Sustainability Statement

SUSTAINABILITY EFFORTS (CONT'D)

4. Towards the Business Compliance (Cont'd)

4.3 Data privacy and security

Preserving the privacy of customer data is essential, as it entails protecting sensitive personal information and proprietary trade secrets from unauthorised access or misuse. With the extensive adoption of technology and the internet, companies gather and retain significant amounts of consumer data. Any unauthorised exposure or breaches of such data, along with cyber-attacks, can pose significant risks to both LHI and our customers. These risks encompass potential outcomes such as identity theft, financial fraud, and other forms of harm. LHI is legally and ethically bound to safeguard our customer data and adhere to applicable laws and regulations.

LHI adopts a robust and wide range of IT-based systems to ensure the safe storage of data. This includes firewalls and other protection mechanisms. We abide to Malaysia's Personal Data Protection Act 2010 ("PDPA") to manage all pertinent data; data collected will be treated with the utmost care and sensitivity, and used only for the purposes it has been lawfully authorised. The firewall and internal network are updated periodically, and continuous improvements are made to our IT governance and cyber security, where applicable.

In FYE2023, zero (0) complaints on data breaches were received.

Common Sustainability Matter	Common Indicator	Common Indicator	FYE 2023
Data privacy and security	(a) Number of substantiated compliants concerning breaches of customer privacy and losses of customer data	Number	0

Sustainability Statement

COMMON SUSTAINABILITY MATTERS (“CSM”)

In September 2022, Bursa Malaysia introduced a phased approach to implement enhanced sustainability reporting standards for publicly listed companies starting from the financial year ending on or after 31 December 2023. One of the main requirements in the amended Practic Note 9 pertains to the reporting of Common Sustainability Issues. The indicators of the CSM are detailed in Table below.

Sustainability Performance Data Table in FYE 2023 (“Table 1”)

Indicator	Measurement Unit	2023
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,106,511.90
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	100
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Directors	Percentage	0.00
Executive	Percentage	32.77
Non-executive/Technical Staff	Percentage	53.21
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	60.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Manager & Above Under 30	Percentage	4.95
Manager & Above Between 30-50	Percentage	66.91
Manager & Above Above 50	Percentage	28.14
Executive Under 30	Percentage	27.69
Executive Between 30-50	Percentage	60.56
Executive Above 50	Percentage	11.75
Non-executive/Technical Staff Under 30	Percentage	41.89
Non-executive/Technical Staff Between 30-50	Percentage	52.01
Non-executive/Technical Staff Above 50	Percentage	6.10
Gender Group by Employee Category		
Manager & Above Male	Percentage	82.25
Manager & Above Female	Percentage	17.75
Executive Male	Percentage	60.50
Executive Female	Percentage	39.50
Non-executive/Technical Staff Male	Percentage	76.75
Non-executive/Technical Staff Female	Percentage	23.25
Internal assurance	External assurance	No assurance
		(*)Restated

Sustainability Statement

COMMON SUSTAINABILITY MATTERS ("CSM") (CONT'D)

Sustainability Performance Data Table in FYE 2023 (Cont'd)

Indicator	Measurement Unit	2023
Bursa (Diversity)		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	72.73
Female	Percentage	27.27
40 - 49 years	Percentage	27.27
50 - 59 years	Percentage	9.09
60 years and Above	Percentage	63.64
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	379,669.05
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,048
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Directors	Hours	39
Executive	Hours	51,536
Non-executive/Technical Staff	Hours	79,854
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.80
Bursa C6(c) Total number of employee turnover by employee category		
Directors	Number	0
Executive	Number	263
Non-executive/Technical Staff	Number	5,034
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	69.77
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	3,848,862,280
Internal assurance	External assurance	No assurance
		(*) Restated