



# ANNUAL REPORT 2024



## TO PROMOTE

A healthier lifestyle and diet among Malaysians by developing highly nutritious and hygienic products utilizing the highest quality processing standards.

## TO WORK

Diligently and consistently to enhance value for our shareholders, to deliver our products fresh on time to our partners and consumers, and to be a responsible corporate citizen.

## TO BECOME

An increasingly important supplier of processed chicken, chicken related products and eggs by expanding market share, developing new products, and building trust and reliability among consumers.

## TO PROVIDE

A caring and rewarding environment for our employees, one which can help fulfill their career goals and inculcate a sense of participation, team spirit and loyalty which will benefit all.

# OUR MISSIONS

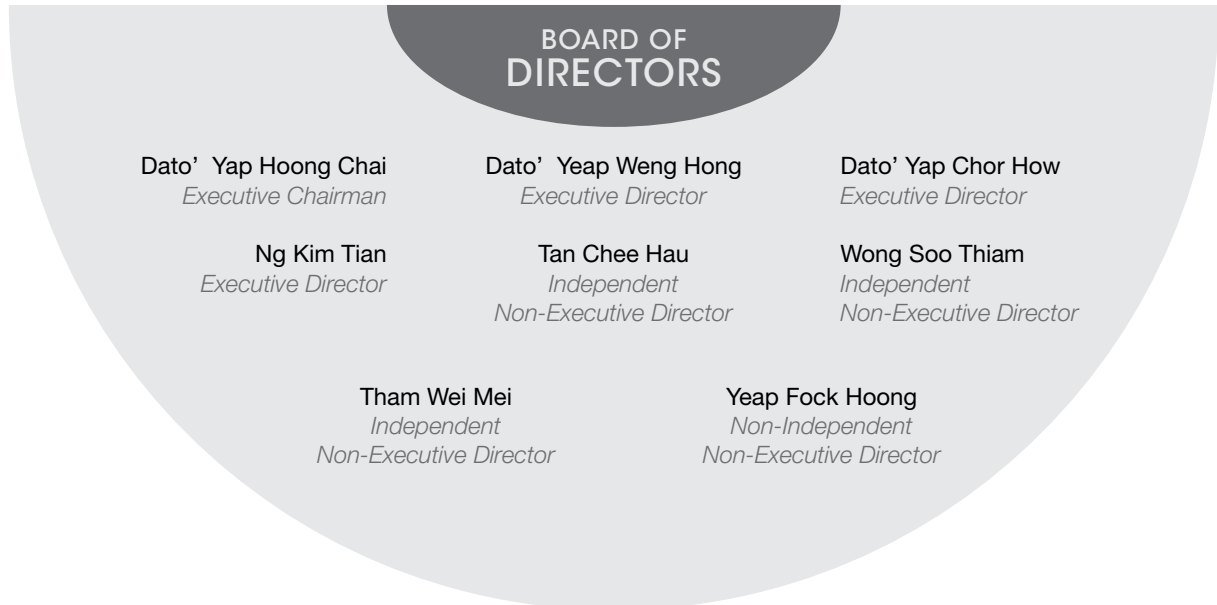


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## CORPORATE INFORMATION



### AUDIT COMMITTEE

**Wong Soo Thiam**  
*Chairman*  
**Tan Chee Hau**  
**Tham Wei Mei**

### NOMINATING COMMITTEE

**Tan Chee Hau**  
*Chairman*  
**Wong Soo Thiam**  
**Tham Wei Mei**

### REMUNERATION COMMITTEE

**Tan Chee Hau**  
*Chairman*  
**Wong Soo Thiam**  
**Tham Wei Mei**

### COMPANY SECRETARY

**Wong Yuet Chyn**  
(MAICSA 7047163)  
(SSM PC 202008002451)

### AUDITORS

**Tai, Yapp & Co PLT**  
No. 25-04-10 & 25-04-15  
4th Floor, Plaza Prima, Batu 4 1/2  
Jalan Klang Lama  
58200 Kuala Lumpur  
W. P. Kuala Lumpur  
T : 03 7983 0277

### REGISTERED OFFICE

A3-3-8, Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
W. P. Kuala Lumpur  
T : 03 6413 3271  
F : 03 6413 3270

### SHARE REGISTRAR

**Securities Services  
(Holdings) Sdn Bhd**  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
W. P. Kuala Lumpur  
T : 03 2084 9000  
F : 03 2094 9940

### CORPORATE OFFICE

No. 2, Level 10-12, Wisma Lay Hong  
Jalan Empayar Off Persiaran  
Sultan Ibrahim/KU1  
41150 Klang  
Selangor Darul Ehsan  
T : 03 3343 4888  
F : 03 3343 8839

### PRINCIPAL BANKERS

AmBank (M) Berhad  
Bank of China (Malaysia) Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad

### STOCK EXCHANGE LISTING

**Bursa Malaysia  
Securities Berhad**  
Main Market  
Stock Name : LAYHONG  
Stock No : 9385

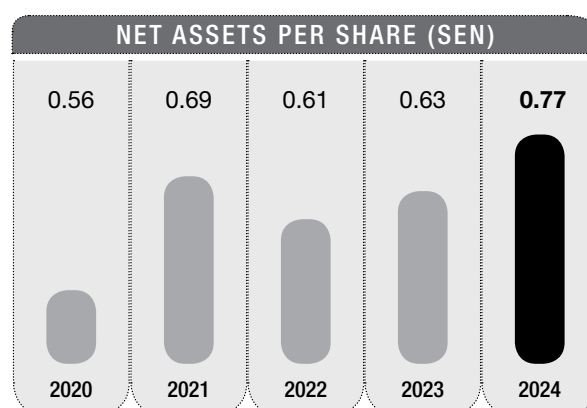
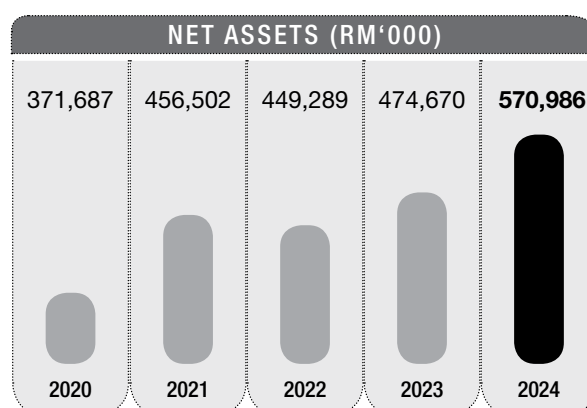
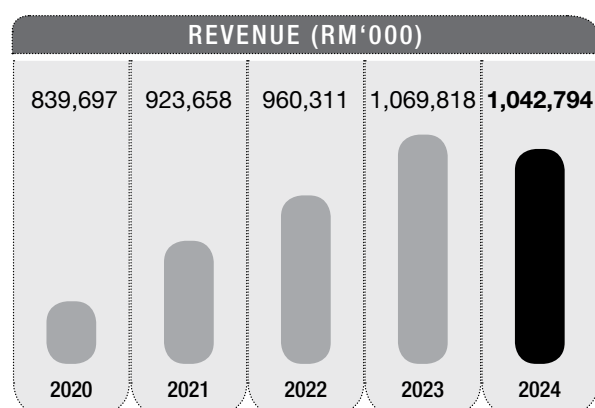
### WEBSITE

[www.layhong.com.my](http://www.layhong.com.my)

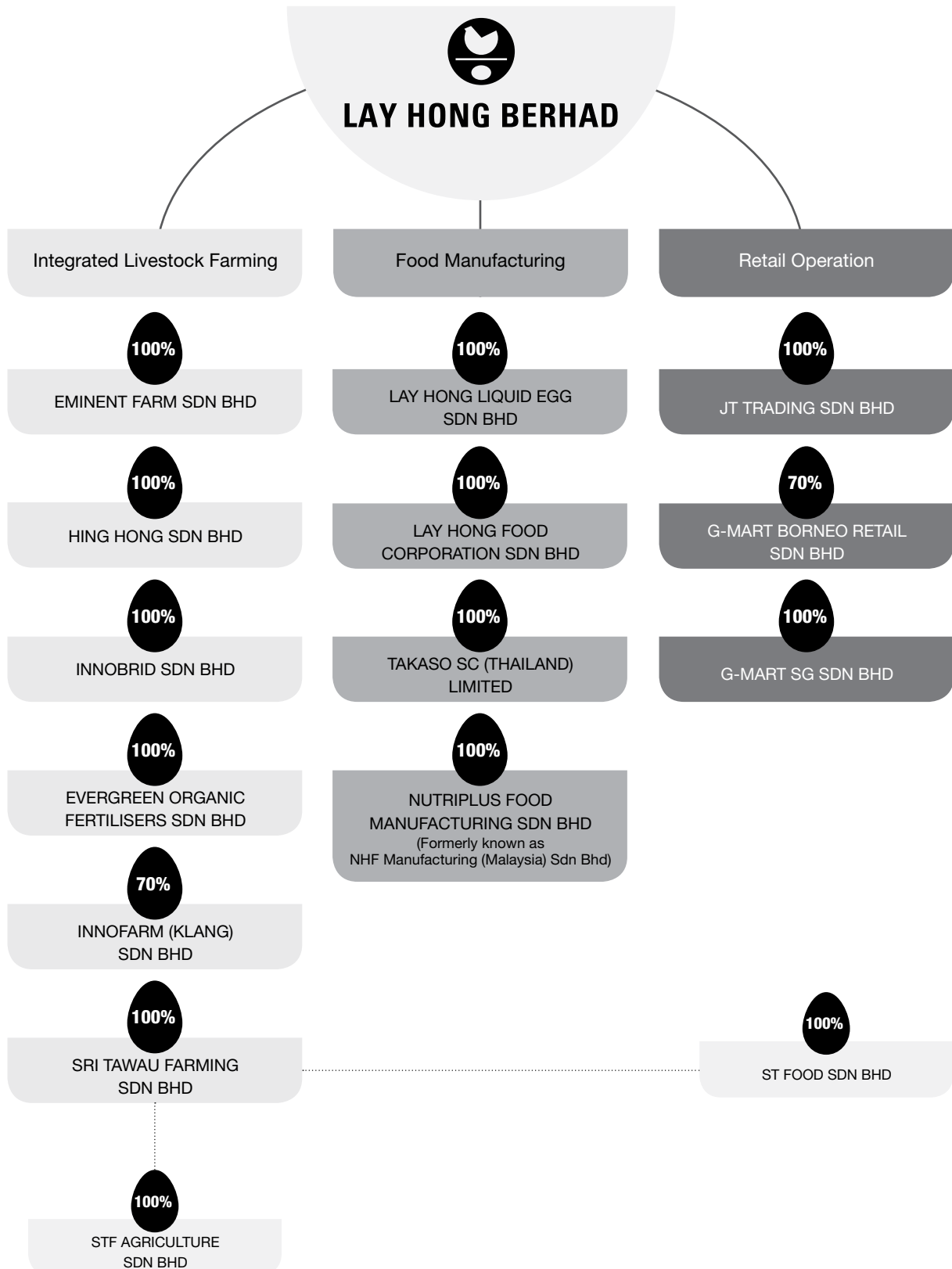


# GROUP FINANCIAL HIGHLIGHTS

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	1,042,794	1,069,818	960,311	923,658	839,697
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	180,529	98,877	65,125	65,384	64,531
Net profit/(loss) for the financial year	90,080	28,242	(2,660)	5,242	5,576
Profit/(loss) attributable to the owners of the Company	90,253	28,107	(4,030)	3,182	3,398
Total assets	1,053,569	952,200	947,654	944,278	850,808
Net assets (NA)	570,986	474,670	449,289	456,502	371,687
Share capital	175,323	173,633	173,633	145,621	145,621
NA per share (sen)	0.77	0.63	0.61	0.69	0.56
Basic earnings per share (sen)	12.10	3.80	(0.59)	0.48	0.51



## GROUP STRUCTURE AND OPERATIONS





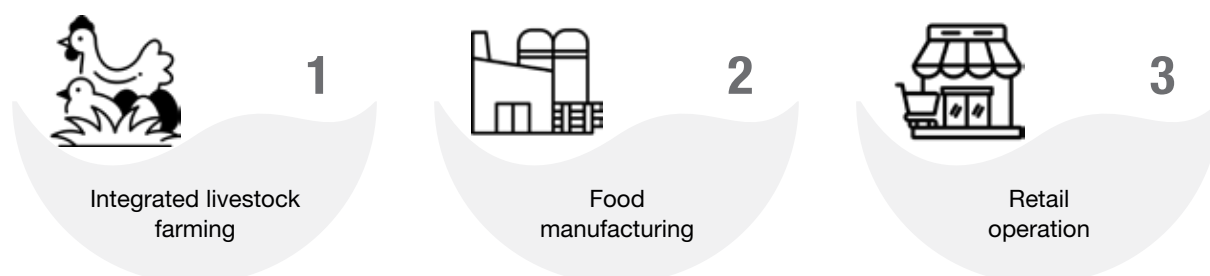
# MANAGEMENT DISCUSSION AND ANALYSIS

## DEAR SHAREHOLDERS

The Board of Directors of Lay Hong Berhad and its subsidiaries would like to express our gratitude for your continuous trust and support. We are in the business of integrated poultry farming, food manufacturing and retail business for over six decades. Our operations are located both in Peninsular Malaysia and Sabah. This section is to provide shareholders and stakeholders with an overview of the business operations of Lay Hong Berhad (the "Company" and "Group"), financial review of financial year ("FY") 2024 and the Group's business expectations for FY2025.

## CORE BUSINESS

There has been no change to the Group's core activities in FY2024, namely:



## EXTERNAL FACTORS

It appears that the covid 19 pandemic has substantially subsided and people are getting their lives back where the wearing of face masks in public places are optional. The ongoing war between Russia and Ukraine is seen to be escalating given the support given by the United States and certain European union countries are supporting by extending weapons. To add salt into the existing difficult business environment, suddenly another war started between the Israel and Palestine that has erupted since the month of October, 2023. With these unnecessary wars in place, the cost of doing business has increased tremendously especially the logistic cost. Though the cost of major raw materials such as corn and soya bean meal have eased due to good weather that led to bumper harvest in producing countries such as the United States, Brazil and Argentina, but the strong US Dollars has continued to cause the other operating cost to rise significantly. Previous year challenge on the ability to source for parent stock breeder day old chicks due to the Avian Flu pandemic in Europe is no longer an issue going forward.

## GROUP FINANCIAL RESULTS

	FY2024 RM'000	FY2023 RM'000
Revenue	1,042,794	1,069,818
Profit before tax ("PBT")	119,452	40,214
Profit/(loss) after tax ("PAT")	90,080	28,242
Total borrowings nett of cash	172,325	207,997
Shareholder funds attributable to owners of the Company	559,406	462,916
Share Capital	175,323	173,633
No. of Shares ('000)	744,765	740,319
Gearing ratio (times)	0.30	0.44
Basic Earnings per share ("EPS") (sen)	12.10	3.80
Net asset per share (RM)	0.77	0.63



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### GROUP FINANCIAL RESULTS (CONT'D)

Group's revenue has continued to be over the RM1 billion mark. For the FY2024, it marginally decreased by 2.53% or RM27.02 million from RM1,069.82 million to RM1,042.79 million. The decrease in revenue was primarily due to food manufacturing business segment recorded a lower sale from downstream chicken products and retail business due to lower demand and price adjustment to reflect the increased cost of living. Integrated livestock farming similarly experienced marginally lower sales due to the continued challenge on the availability of layer breeder stock from Europe. The lower sales of live birds to third parties have also contributed to the marginal decrease.

PBT has recorded significant increase of 197.04% or RM79.23 million from RM40.21 million in 2023 to RM119.45 million in 2024. The increase was mainly attributed to the broiler and egg subsidies received from the government that led to the reduction in feed cost. The subsidies for the broiler operation was discontinued on 1st November 2023. However, the subsidy for the egg production is continuing. As at the date of this report we have not received any notice from the government on its intended cessation except that the ceiling price per egg has been reduced by 3 cents per piece.

### GROUP FINANCIAL POSITION

Total assets of the Group have grown from RM952.20 million in 2023 to RM1,053.57 million in 2024 due to continuing capital investment into our strategic livestock farming and food manufacturing business. Increasing cash flow derived from increasing profit had also contributed to this. Total nett borrowings as for the year under review has registered a reduction from RM238.55 million in 2023 to RM231.43 million in 2024. Cash and cash equivalent has on the other hand has increased from RM30.55 million to RM59.11 million. After accounting for the additional cash in hand, the Group's gearing improved from 0.44 times to 0.30 times. Earnings per share for the financial year has also improved dramatically from 3.80 cents to 12.18 cents. Likewise, Nett Tangible Asset per share has also improved from RM0.63 to RM0.77.

### CORPORATE EXERCISE

On 22nd November 2023, the company completed the acquisition of 51% of the equity in NHF Food Manufacturing (Malaysia) Sdn Bhd which it does not owned from NH Food Limited, Japan. With this exercise completed, Lay Hong Bhd now owned 100% and has full control on the company's shareholding as well as the management. To reflect the new ownership, the company's name has been changed to Nutriplus Food Manufacturing Sdn Bhd.

During the year, the company received approval from Bursa Malaysia to implement an Employees' Share Scheme (ESS) and shareholders have approved this proposal on 28 September 2022.

On 30 January 2024, the Company granted 10% of ESS equivalent to 73,260,000 shares offered. Up to date, 14,847,470 new ordinary shares had been exercised. Resulting from this, the Group was hit by a onetime charged out to the Income Statement of RM8.06 million as Share Based Expense.

### BUSINESS REVIEW

#### INTEGRATED LIVESTOCK FARMING

This segment of business consists of the layer and broiler operation as follow:

##### Layer

Revenue from table eggs has increased to RM195.86 million for FY2024 from RM163.09 million. This was due to higher productivity of table eggs during the year and the slight improvement on the availability of parent layer breeder stock sourced locally and better farm management.

Revenue for the functional eggs branded under "NUTRIPLUS" was at RM98.94 million at which is 6% lower compared last year. Lower revenue was mainly contributed by lower quantity of eggs being sold.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## BUSINESS REVIEW (CONT'D)

### INTEGRATED LIVESTOCK FARMING (CONT'D)

#### Layer (Cont'd)

The number of layer farms (parent stock breeder and layer) owned by the Group in FY2024 has remained status quo as follows:

#### Parent Stock Breeder Farm and Hatchery

	Location	Capacity per month (Day Old Chick)	Type
1.	Lot 1632 & 1633, Ijok, Selangor	150,000	Environment controlled house (ECH)
2.	Lot 1640, Ijok, Selangor	32,000	ECH
		<b>182,000</b>	

#### Layer Farm

	Location	Capacity per cycle (bird)	Type
1.	Lot 4857, Kapar, Selangor	165,000	Open house
2.	Lot 1555 & 1868, Jeram, Selangor	480,000	ECH
3.	Lot 1821, Jeram, Selangor	240,000	ECH
4.	Lot 1822, Jeram, Selangor	480,000	ECH
5.	Lot 1847, Jeram, Selangor	240,000	ECH
6.	Lot 1954, Jeram, Selangor	240,000	ECH
7.	Lot 2809, Jeram, Selangor	480,000	ECH
8.	Lot 1717-1720, Jasin, Melaka	390,000	ECH/ Open House
9.	Lot 4847 & 4848, Kapar, Selangor	180,000	Open House
10.	Tuaran, Sabah	78,000	Open House
11.	Tamparuli, Sabah	240,000	ECH
		<b>3,213,000</b>	

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW (CONT'D)

#### INTEGRATED LIVESTOCK FARMING (CONT'D)

##### Broiler

In FY2024, the Group sold a total of 21.59 million kilogram (“kg”) of broilers compared to 36.05 million kg recorded in the previous year. The lower quantity was due to the lower feed conversion ratio (FCR) achieved in all farms plus the closure of one old farm using the “deep litter” method of breeding. This farm is in the process of being rebuilt with the latest automated equipment when completed. Consistent with the decrease in quantity, revenue has also decreased in tandem by 21.35% from RM124.28 million in FY2023 to RM97.75 million in FY2024.

The number of broiler farms (Parent Stock Breeders and Broilers) owned by the Group are as follows:

##### Parent Stock Breeder Farm and Hatchery

	Location	Capacity per month (Day Old Chick)	Type
1.	Bukit Belimbing/ Bukit Rotan, Selangor	1,600,000	ECH
2.	Papar, Sabah	900,000	ECH
		<b>2,500,000</b>	

##### Broiler Farm

	Location	Capacity per cycle (bird)	Type
1.	Tanjung Karang, Selangor (10 farms)	2,308,000	ECH
2.	Behrang, Perak	750,000	ECH
3.	Kampung Indai, Sabah	70,000	ECH
4.	Kampung Serusup, Sabah	300,000	ECH
5.	Tawau, Sabah	100,000	ECH
6.	Sandakan, Sabah	210,000	ECH
7.	Bongawan, Sabah	50,000	ECH
8.	Keningau, Sabah	80,000	ECH
9.	Tamparuli, Sabah	240,000	ECH
		<b>4,108,000</b>	



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FOOD MANUFACTURING

The Group's food manufacturing division (downstream division) is divided primarily into two (2) segments, processed chicken product and pasteurised liquid egg.

#### Chicken products

The division recorded a lower revenue of RM349.54 million for FY2024 compared to RM377.32 million recorded in FY2023. Revenue decreased was primarily due to lower productivity and availability of raw materials for manufacturing as evident from the lower production of broilers from the above Integrated Farming Segment.

As mentioned earlier, with the completion of the acquisition of the Japanese plant, the Group would be able to integrate all its chicken downstream manufacturing activities under one roof. Moreover, the Group is now in a better position to offer more downstream chicken products to the local market and for exports as the Japanese plant is certified for exports of Halal products.

Currently, the Group operates two large chicken processing/manufacturing plant in Pulau Indah Halal Hub and Bagan Tengkorak, Tanjung Karang and another 4 smaller regional slaughtering plants in Sabah, located in Kota Kinabalu, Keningau, Tawau and Sandakan. The needs of these smaller plants are to overcome logistic issues faced in Sabah.

#### Pasteurised Liquid Egg

The Group currently has two pasteurised liquid egg plants in operation. These plants are located at Meru, Klang and Iskandar Halal Hub, Pasir Gudang, Johor and have a combined capacity to pasteurise up to 1,350 metric tonnes of customized liquid egg products per month running at 20 hours per workday. The products include pasteurised egg white, egg yolk, whole egg, liquid egg with salt or sugar or other ingredients. Currently, approximately 12.8% percent of the total eggs produced by the Group are pasteurised into liquid egg and sold to local industrial consumers cum export market.

In FY2024, this segment produced 8.53 million kg as compared to 6.76 million kg in FY2023. Production has increased significantly due to higher demand from confectioneries, bakeries and restaurants and higher demand from export sales. The much subside fear of Covid 19 pandemic and new users have spurred the above that led to the increase.

The revenue generated from this segment was RM70.93 million compared to that of RM56.21 million recorded in the previous year.

### RETAIL OPERATION

The Group's retail business is established in Peninsular Malaysia and Sabah. Presently, the Group operates three types of outlets as follows:

No	Branded under	Type	No. of Stores
1	G-Mart	Supermarkets	18
2	MYSHOP	Retail shops	46
3	JT Trading	Retail shops	4
Total Stores			68

Total revenue generated from the retail business has decreased in FY2024 to RM229.77 million compared to that of RM243.73 in FY2023. The decrease in revenue was due to the lower retail sales from the lower buying power of consumers affected by the continuing difficult economic conditions in the current year.

The Group currently operates 18 supermarket outlets branded under "G-Mart". This type of stores is much larger which has a shopping area between 20,000 to 40,000 square feet ("sq ft") area. The revenue generated from these supermarket outlets continued to be stable.

The Group also operates 46 smaller outlets branded under "MyShop". These shops are of 1 or 2 shop fronts type with an area of approximately 3,000-5,000 sq ft and located in small suburban areas catering only for the local populace.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **CAPITAL EXPENDITURE**

During the financial year under review a total of RM62.30 million was spent on capital expenditure of which RM49.13 million was expended for livestock farming business including a biogas plant, farm house upgrades while RM6.10 million was expended for food manufacturing business including investment in solar panels. The balance of RM7.07 million was mainly spent in the renovation cost of expanding the retail business. The funding for these projects was from a combination of bank borrowings and internally generated funds.

### **DIRECTORATE**

During the year, Miss Tham Wei Mei join as an independent Non-Executive Director. With this appointment, the group has partly fulfilled part of the board's gender diversity journey. We warmly welcome Miss Tham to the Board of Directors.

### **ANTICIPATED OR KNOWN RISKS**

#### **Credit Risk and Default In Payment By Customers**

Generally, the credit terms granted to customers ranges from cash/60 days for eggs and chicken and up to 180 days for organic fertiliser. All business in our retail segment were transacted strictly on cash term only. Our customers have varying degrees of credit risk profiles which exposes the Group to the risk of slow or non-payment. In the event the customers default on their payments, our operating cash flows, financial health and performance would be adversely affected.

We are aware of our exposure to the above and we mitigate this by putting in place prudent credit management policies in our Group through the application of credit approvals, credit limits and monitoring procedures on an on-going basis. We perform credit evaluation on all our customers and an appropriate credit limit is then allocated to each customer based on our assessment of their risk profile. In addition, we also emphasize on close monitoring and collection of accounts on an on-going or monthly basis to minimize the risk of default. The Group has subscribed to "EXPERIAN Credit" for credit references.

Although there has been no material collection problem on trade receivables or material bad debts written off in the past, there is no guarantee that all our customers will be able to fulfil their debts obligation as and when the debts become due or that our Group will not encounter collection problem in the near future. Any default or delay in our collection of debts which lead to impairment loss on trade receivables or bad debts may have an impact on our financial performance.

#### **Foreign Currencies Risk**

The Group's certain raw materials such as corn and soya bean are transacted in United State Dollar while approximately less than 1% of our export sales are transacted in Singapore dollars. As such, the Group is exposed to foreign exchange risk primarily on the Group's purchases. Any favourable or unfavourable fluctuation in foreign exchange rate may have an adverse/favourable impact to the Group's financial performance and profitability.

The Group does not enter into any financial instruments to hedge against any foreign currency as the sales transactions are deemed insignificant. However, for purchases of corn and soya bean, the Group takes a three (3) to six (6) months position with the local importer who in turn took the foreign currency risk upon themselves. The Group will pay a small premium on the risk pass to them.

Despite the effort to minimize the foreign exchange risk, there can be no assurance that any future significant fluctuations in foreign currency will not have an impact to our financial performance.

#### **Disease Outbreaks**

Significant part of the Group's operations in the livestock industry is exposed to the risk of infectious disease outbreaks such as Newcastle disease, Avian Influenza, salmonella infections, etc. Therefore, the management has taken precautionary measures such as implementation of strict bio-security procedures and policies in all the farms and diversifying its operations over a different geographical area. Presently, the Group's farm operations are in Perak, Selangor, Melaka and Sabah.

The Group has almost modernised completely all its farms to environment-controlled house to minimize the impact of disease transmission except for two old layer farms which are still open houses.





## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FORWARD LOOKING STATEMENT

The Group is an integrated poultry farmer cum food manufacturer and retail stores operator. This means the Group has almost everything in house from animal feed production, breeding of both layer and broiler day-old chicks and feed stocks right up to the harvesting of table eggs / broilers to slaughtering and processing of downstream chicken products and the final distribution of all its branded products to the retail market. All the chicken products offered for sale are certified “HALAL” by approved authorities. The Group also converts its chicken waste to produce organic fertilizer for sale and at the same time conserve the environment. During the financial year, the Group has also embarked on a biogas plant within the cluster of six large close house layer farms to generate electricity to part-power some of the said farms and also to resolve the chicken waste issue. It is expected to be fully operational in the current financial year ending 31st March, 2025. With a big portion of the waste being used as raw material for the biogas plant, the group has partially contributed to the ESG cause. In addition, in order to save cost, the Group has also completed the installation of photovoltaic panels at the Group’s chicken processing plant in Tanjong Karang to address the rising cost of energy. Other manufacturing units will follow suit progressively as part of the Group’s mission to cut energy cost.

Moving forward, to maintain its status as a leading producer of eggs and chicken products in Malaysia, the Group would continuously seek new farming methods and automation to reduce cost, increase efficiency and also to digitalise the Group’s operations. The Group will also enhance its research and development in downstream chicken product capabilities to expand its existing range of chicken and egg products.

Since the feed stock (corn and soya bean Meal) accounts for 70% of its total cost, the directors would continuously monitor its prices and would look for alternatives or substitutes as to maintain/reduce cost without compromising on its quality. At the date of this report, the prices of major raw materials like corn and soya bean have been trending downwards and this will augur well for the Group going forward.

### DIVIDEND

The management would take the following factors into consideration before recommending for any dividend payment:-

- 1) financial results of the Group;
- 2) cash and cash equivalent position of the Group;
- 3) projected levels of capital expenditure and other investment plans, if any;
- 4) prevailing interest rate;
- 5) gearing ratio of the Group; and
- 6) continual rise in inflation and commodity prices

After carefully considering the above, the Board of Directors has on 21st June, 2024 paid an interim dividend of 0.3 sen per share for the financial year ended 31st March 2024. Due to the exceptional financial performance for the year under review, the Board of Directors has further proposed to pay a final dividend of 0.5 sen per share. This proposal is pending shareholders’ approval at the forthcoming Annual General Meeting of the Company.

### ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I would like to thank you for your continued support of our mission, our leadership, and your patience as we strive to achieve our goals.

Finally, and most importantly, we would like to take this opportunity to express our gratitude and thanks to the management and staff of the Group for their enduring commitment and resolve to be the best in the business. Our dedication to deliver value and quality to our customers shall always be our culture.

**DATO’ YAP HOONG CHAI**  
EXECUTIVE CHAIRMAN

## DIRECTOR'S PROFILE

**Dato' Yap Hoong Chai** is a founder of the Lay Hong Berhad Group. Dato' Yap was appointed as a Managing Director on 27 September 1983 and subsequently re-designated as Executive Chairman on 8 September 2015.

Under his stewardship since inception, the Group has grown from a small family business into one of Malaysia's largest and most successful integrated poultry farming and food processing player. He has served as a Past President of the Selangor Livestock Association, Egg Division and a Past Chairman of Layer unit for the Federation of Livestock Farmers' Association of Malaysia.

Dato' Yap is the brother of Dato' Yeap Weng Hong and Mr Yeap Fock Hoong, and the father of Dato' Yap Chor How, who are also Directors of the Company.

Dato' Yap is a director and shareholder of Innofarm Sdn Bhd, a major shareholder of the Company.

Dato' Yap has attended all five (5) Board Meetings held during the financial year.

### DATO' YAP HOONG CHAI

Executive Chairman

Malaysian  
Aged 74  
Male

**Dato' Yeap Weng Hong** was appointed as an Executive Director on 18 April 1986.

Dato' Yeap has more than 30 years of experience in integrated poultry farming and is currently in-charge of the Group's farm activities and new projects in the Group.

Dato' Yeap is the brother of Dato' Yap Hoong Chai and Mr Yeap Fock Hoong, who are also Directors of the Company.

Dato' Yeap is a director and shareholder of Innofarm Sdn Bhd, a major shareholder of the Company.

Dato' Yeap has attended all five (5) Board Meetings held during the financial year.

### DATO' YEAP WENG HONG

Executive Director

Malaysian  
Aged 66  
Male

DIRECTOR'S PROFILE  
(CONTINUED)**DATO' YAP CHOR HOW**

Executive Director

Malaysian  
Aged 47  
Male

**Dato' Yap Chor How** was appointed as an Executive Director on 3 October 2013. Dato' Chor How initially joined in year 2002 as a Production Executive and in 2005 he was promoted to Marketing Director.

Dato' Chor How graduated from University of Melbourne with a Bachelor of Commerce honour degree.

Dato' Chor How is the eldest son of Dato' Yap Hoong Chai, the major shareholder and Executive Chairman

of the Company. Dato' Chor How is also a nephew to Dato' Yeap Weng Hong and Mr Yeap Fock Hoong who are presently Directors of the Company.

Dato' Chor How has attended all five (5) Board Meetings held during the financial year.

**NG KIM TIAN**

Executive Director

Malaysian  
Aged 70  
Male

**Mr Ng Kim Tian** was appointed as an Executive Director on 3 October 2013. Mr Ng initially joined on 1 September 2000 as General Manager – Finance and in year 2002, promoted to Finance Director. Mr Ng is responsible for the Group's corporate services function inter-alia, treasury, accounting, finance, human resources, and information technology.

Mr Ng is a certified public accountant by training. Prior to joining the Company, Mr Ng was the Chief Financial

Officer of a diversified public listed group that has three listed companies in their stable namely Olympia Industries Bhd, DutaLand Berhad (previously known as Mycom Berhad) and Ayer Itam Tin Berhad. From 1986 to 1994, Mr Ng served as a Group Financial Controller in Lion Land Berhad. From 1976 to 1994, Mr Ng has served in various capacities in the field of auditing and finance. Mr Ng started his initial career as an Audit Trainee with an accounting practice.

Mr Ng has attended all five (5) Board Meetings held during the financial year.

## DIRECTOR'S PROFILE (CONTINUED)

**Mr Tan Chee Hau** was appointed as an Independent Non-Executive Director on 15 June 2017.

Mr Tan is currently the chairman of Remuneration Committee, Nominating Committee and member of Audit Committee.

Mr Tan graduated from RMIT University, Melbourne, Australia with a Bachelor of Business (Accountancy & Finance) with Distinction in 1991, and he obtained his Chartered Accountant (CA) membership and Certified Practising Accountant (CPA) membership from Malaysian Institute of Accountants (MIA) and CPA Australia respectively in 1995.

Mr Tan has more than 29 years of experience in Corporate and Debt Restructuring, Corporate Finance, Private Equity and Accounting, and has worked for many companies/firms including as Director & Co-Head of Corporate Finance of an Investment Bank, Head of Corporate Finance in several listed and private companies, Investment Director in a Private Equity company, and Auditor in an International Accounting Firm. Mr Tan has advised many companies on listings, restructuring, mergers and acquisitions, equity and debt issuance, fund raising, etc. Mr Tan is presently involved in corporate finance advisory works.

Presently, Mr Tan sits on the Board of Perak Corporation Berhad and Luminor Assets Berhad as Independent Director.

Mr Tan has attended all five (5) Board Meetings held during the financial year.

### **TAN CHEE HAU**

Independent Non-Executive Director

Malaysian  
Aged 56  
Male

**Mr Wong Soo Thiam** was appointed as an Independent Non-Executive Director on 30 November 2022.

Mr Wong is currently the chairman of Audit Committee, member of Remuneration Committee and Nominating Committee.

Mr Wong is a Chartered Accountant of the Malaysian Institute of Accountants and Member of the Malaysian Institute of Certified Public Accountants.

Mr Wong was trained and qualified as a Chartered Accountant with Price Waterhouse, Kuala Lumpur (now PricewaterhouseCoopers). Mr Wong subsequently joined Ong Boon Bah & Co as a partner and is now the managing partner. In practice for over three decades, Mr Wong has accumulated a wealth of experience in audit, tax, financial and management consulting and corporate secretarial work. In the course of his work, Mr Wong has extensive exposure and experience over various industries including financial services, manufacturing, trading, construction, property development, retailing and biological.

Mr Wong has attended all five (5) Board Meetings held during the financial year.

### **WONG SOO THIAM**

Independent Non-Executive Director

Malaysian  
Aged 68  
Male





## DIRECTOR'S PROFILE (CONTINUED)

### THAM WEI MEI

Independent Non-Executive Director

Malaysian  
Aged 57  
Female

**Madam Tham Wei Mei** was appointed as an Independent Non-Executive Director on 31 May 2023.

Madam Tham is currently the member of Audit Committee, Remuneration Committee and Nominating Committee.

Madam Tham has a Degree in Mass Communications from Universiti Sains Malaysia.

Madam Tham has over 30 years of experience in the fields of mass media, communications, journalism, marketing, publishing and public relations, having served companies locally and abroad. Her career started in Jakarta before she headed to Cambodia. Based in Phnom Penh, she was a journalist and Assistant Bureau Chief for The Cambodia Times newspapers which were published in English and Khmer languages.

While in Cambodia, Madam Tham was also the principal writer in the publication of a United Nations newsletter, called The Peacekeeper. Madam Tham returned to Malaysia to serve in a US telco services company with clients in Hong Kong, Singapore, Indonesia and Thailand. Madam Tham left to set up Alpha Platform Sdn Bhd, a public relations consultancy where she served GLCs, MNCs and government agencies, working on national issues, crisis, lobbying, mergers & acquisitions as well as on corporate exercise. Madam Tham is also actively involved in social media campaigns.

Madam Tham is a qualified nutritional therapist and a member of the Association of Nutritional Medicine Practitioners, Malaysia. She is currently an Independent Non-Executive Director with Protasco Berhad and CPE Berhad.

Madam Tham has attended four (4) out of four (4) Board Meetings held during the financial year since her appointment.

### YEAP FOCK HOONG

Non-Independent Non-Executive Director

Singaporean  
Aged 70  
Male

**Mr Yeap Fock Hoong** was appointed as a Non-Independent Non-Executive Director on 18 January 1994. Presently Mr Yeap is working as a consultant on pilot training and business strategy in an aviation centre. Mr Yeap also sits on the Board of Directors of several private limited companies.

Mr Yeap is the brother of Dato' Yap Hoong Chai and Dato' Yeap Weng Hong, who are also Directors of the Company.

Mr Yeap is a director and shareholder of Innofarm Sdn Bhd which is the major shareholders of the Company.

Mr Yeap has attended four (4) out of five (5) Board Meetings held during the financial year.

#### Notes to Director's Profile:

(1) **Family Relationships**

Save for Dato' Yap Hoong Chai, Dato' Yeap Weng Hong, Dato' Yap Chor How and Mr Yeap Fock Hoong, none of the Directors have any family relationship with any director and/or any major shareholder of the Company.

(2) **Conviction of Offences**

None of the Directors have been convicted of any offences other than traffic offences, if any, within the past 5 years and there were no public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2024.

(3) **Conflict of Interest**

None of the Directors have any conflict of interest or potential conflict of interests; including any interest in any competing business with the Company and its subsidiaries.

(4) **Directorship in other Public Companies**

Save for Mr Tan Chee Hau and Madam Tham Wei Mei, none of the Directors hold any directorships in other public listed companies.

## KEY SENIOR MANAGEMENT

### **ONG YONG THYE**

Senior Manager – Purchasing &  
Feedmill/Lay Hong Berhad

Malaysian  
Aged 61  
Male

#### **Date of Appointment**

- 15 October 1990

#### **Academic/Professional Qualifications**

- The Association of Accounting Technicians
- The Chartered Association of Certified Accountants
- The Association of International Accountants

#### **Working Experience**

- |      |  |
|------|--|
| 1989 | Joined Sri Ternak Wilayah Sdn. Bhd. as Accounts Supervisor |
| 1990 | Joined Lay Hong Sdn. Bhd. as Assistant Accountant          |
| 1997 | Redesignated to Manager - Purchasing                       |
| 2004 | Promoted to Senior Manager - Purchasing & Feedmill         |

#### **Present Directorship**

- Listed Entity : Nil
- Other Public Companies : Nil

### **KUAN YIK VERN**

Head, Group Financial Reporting /  
Lay Hong Berhad

Malaysian  
Aged 37  
Male

#### **Date of Appointment**

- 17 April 2023

#### **Academic/Professional Qualifications**

- Bachelor's Degree in Accountancy (University Malaya)
- FCCA Fellow of the Association of Chartered Certified Accountants (ACCA)

#### **Working Experience**

- |      |   |
|------|---|
| 2010 | Joined PricewaterhouseCoopers Malaysia and was last promoted to Audit Manager |
| 2018 | Joined Genting Malaysia Berhad as Finance Manager                             |
| 2020 | Joined U Mobile as Group Finance Manager                                      |

#### **Present Directorship**

- Listed Entity : Nil
- Other Public Companies : Nil

KEY SENIOR MANAGEMENT  
(CONTINUED)**YAP CHOR WEN**

Director of Operation /  
Lay Hong Food Corporation Sdn. Bhd.

Malaysian  
Aged 44  
Male

**Date of Appointment**

- 24 January 2005

**Academic/Professional Qualifications**

- Bachelor of Science (University of Melbourne, Australia)
- Bachelor of Commerce (University of Melbourne, Australia)

**Working Experience**

2004	Joined Optus (telco) as Sales & Marketing Trainee
2005	Joined Lay Hong Berhad as Management Trainee
2006	Promoted to Production Manager
2009	Promoted to Operation Manager
2011	Promoted to Head of Operation
2015	Promoted to Director of Operation

**Present Directorship**

- Listed Entity : Nil
- Other Public Companies : Nil

**Family Relationship**

- Mr Yap is the son of Dato' Yap Hoong Chai, the major shareholder and Executive Director of the Company.
- Mr Yap is the brother of Dato' Yap Chor How, a nephew to Dato' Yeap Weng Hong and Mr Yeap Fock Hoong who are presently Directors of the Company.

**BONG KIM FUI**

General Manager, Operation /  
STF Agriculture Sdn. Bhd.

Malaysian  
Aged 49  
Female

**Date of Appointment**

- 6 October 2003

**Academic/Professional Qualifications**

- Bachelor in Accountancy (University of Otago, New Zealand)
- Member of Malaysia Institute of Accountant (MIA)

**Working Experience**

1997	Joined Law & Co as Auditor
2001	Joined Brake Master Industries Sdn. Bhd. as Accounts Executive
2003	Joined Sri Tawau Farming Sdn. Bhd. as Accountant
2006	Re-designated to Finance & Administration Manager
2009	Promoted to Operation Manager in STF Agriculture Sdn. Bhd.
2012	Promoted to General Manager, Operation

**Present Directorship**

- Listed Entity : Nil
- Other Public Companies : Nil

## KEY SENIOR MANAGEMENT (CONTINUED)

### **WONG YEN TIEN**

General Manager, Operation /  
G-mart Borneo Retail Sdn. Bhd.

Malaysian  
Aged 56  
Male

#### **Date of Appointment**

- 1 August 2014

#### **Academic/Professional Qualifications**

- Diploma in Retail

#### **Working Experience**

- |      |  |
|------|--|
| 1992 | Joined IMM Megamart Singapore as Retail Supervisor                                       |
| 1997 | Joined Carrefour Singapore as Asst. Department Head                                      |
| 1999 | Joined Dairyfarm Singapore as Asst. Division Head  |
| 2000 | Transferred to Dairyfarm Malaysia as Category Manager                                    |
| 2003 | Joined Lotus Shanghai as Asst. Operation Head  |
| 2006 | Joined Giant Retail Sdn. Bhd. as Senior Manager  |
| 2014 | Joined ST Food Sdn. Bhd. as Senior Manager, Operations – 99 Wholesales Business, Sabah   |
| 2016 | Transferred to G-mart Borneo Retail Sdn. Bhd. and promoted as General Manager, Operation |

#### **Present Directorship**

- Listed Entity : Nil
- Other Public Companies : Nil

#### **Notes:**

##### **(1) Family Relationship**

*Save for Mr Yap Chor Wen, none of the key senior management have family relationship with any director and/or major shareholder of the Company.*

##### **(2) Conflict of Interest**

*None of the Key Senior Management have any conflict of interest or potential conflict of interests, including any interest in any competing business with the Company and its subsidiaries.*

##### **(3) Conviction of Offences**

*Other than traffic offences, if any, the key senior management has not been convicted of any offence within the past 5 years and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.*





# SUSTAINABILITY STATEMENT

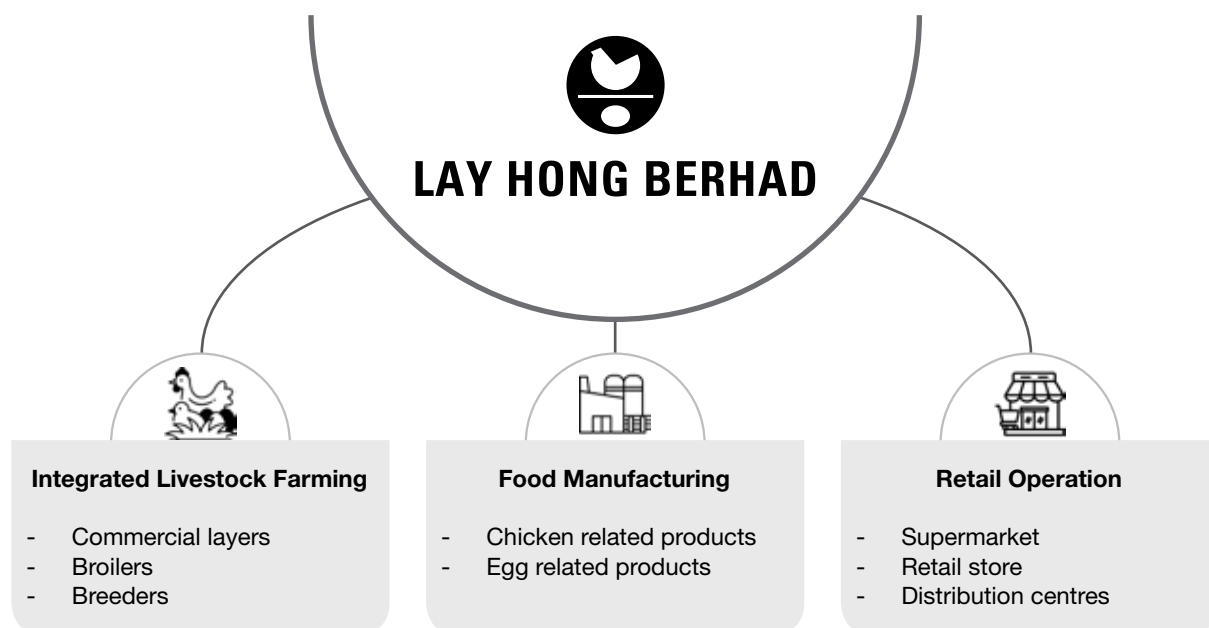
## ABOUT THIS REPORT

Lay Hong Berhad (“**Lay Hong**”, “**Company**” or “**Group**”) is delighted to present its Sustainability Report for the financial year ended 31 March 2024 (“**FYE 2024**”).

This Report covers the sustainability strategies, principles, initiatives and performance of Lay Hong for the FYE 2024 and focuses on the issues that we have determined to be of greatest importance via our materiality assessment. Through this Report, we provide updates on Lay Hong’s sustainability initiatives across our key business units and operations and includes our progress against the commitments we have made, all aimed at operating sustainably and creating sustainable value for our stakeholders.

Our disclosures and practices have evolved over time. Sustainability is an ongoing journey, and our sustainability strategies continue to be our main focus as we strive for a sustainable future for both people and the planet

## OUR CORE BUSINESSES



## SCOPE AND BASIS OF SCOPE

This Report covers the Group’s sustainability performance and progress of our headquarter and all operations in Malaysia. For operations in Thailand, the Group is committed to extending coverage within the next three years.

## REPORTING FRAMEWORKS AND STANDARDS

This Report has been developed according to Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”)’s Listing Requirements, with reference to:

- Bursa Malaysia’s Sustainability Reporting Guide (3<sup>rd</sup> Edition)
- Listing Requirements of Bursa Malaysia [Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)]
- Global Reporting Initiative (GRI) Standards
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

## SUSTAINABILITY STATEMENT (CONTINUED)

### INDEPENDENT ASSURANCE

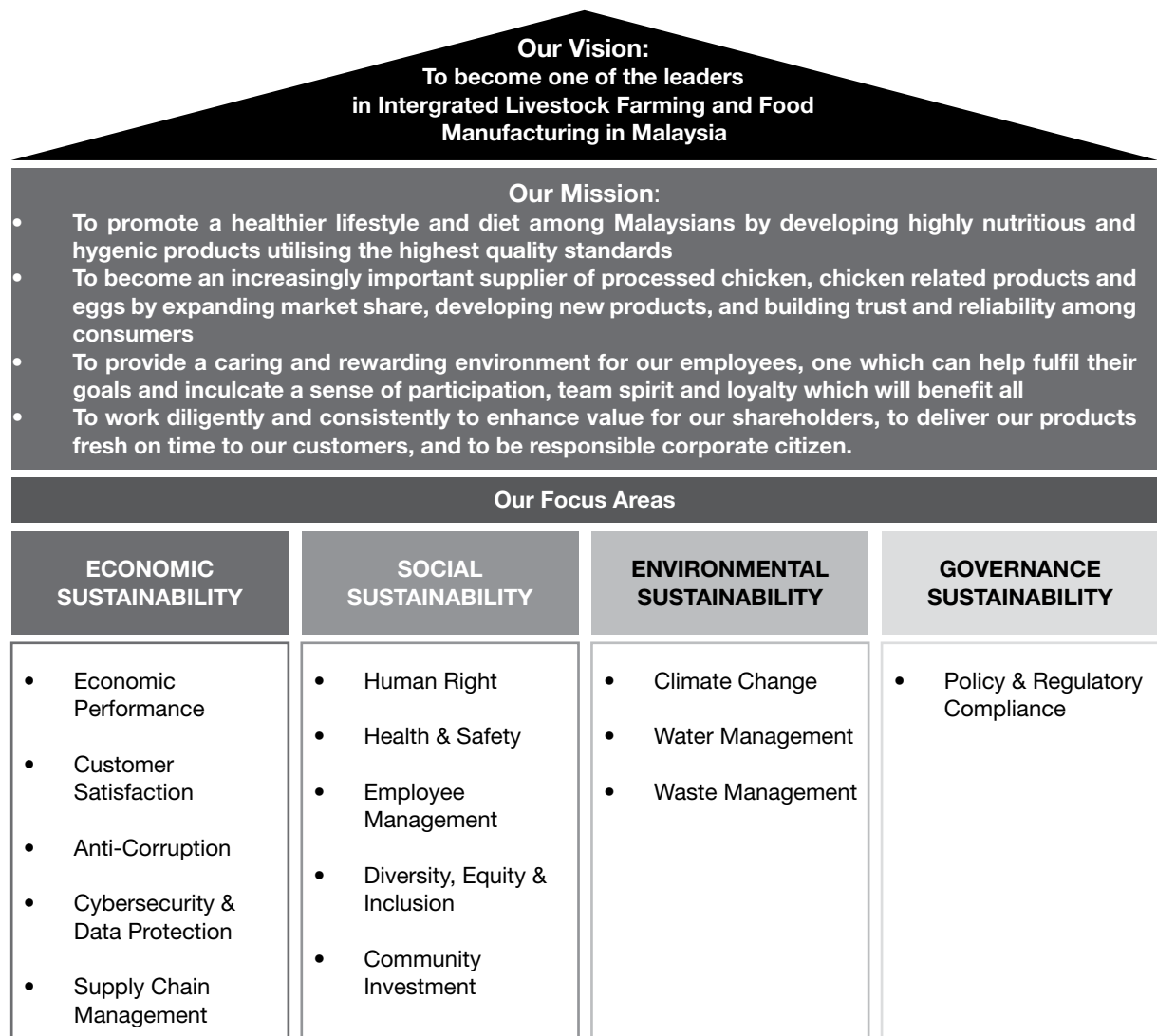
While we have not conducted independent assurance on the information provided in this Report, we remain dedicated to disclosing accurate and transparent data. Moving forward, we are committed to enhancing the accuracy and quality of our disclosures. To achieve this, we intend to subject the indicators to independent assurance progressively in the next three years.

### OUR APPROACH TO SUSTAINABILITY

#### SUSTAINABILITY FRAMEWORK

Lay Hong has enhanced its sustainability framework to harmonise with our business strategy, guided by the Group's vision and mission. Our framework aims to address stakeholder needs, minimise environmental footprint, and foster positive contributions to the communities in which we operate.

Our sustainability framework emphasises four key focus areas: Economic Sustainability, Social Sustainability, Environmental Sustainability and Governance Sustainability. We endeavour to achieve specific objectives within each focus area by addressing concerns related to our material matters.



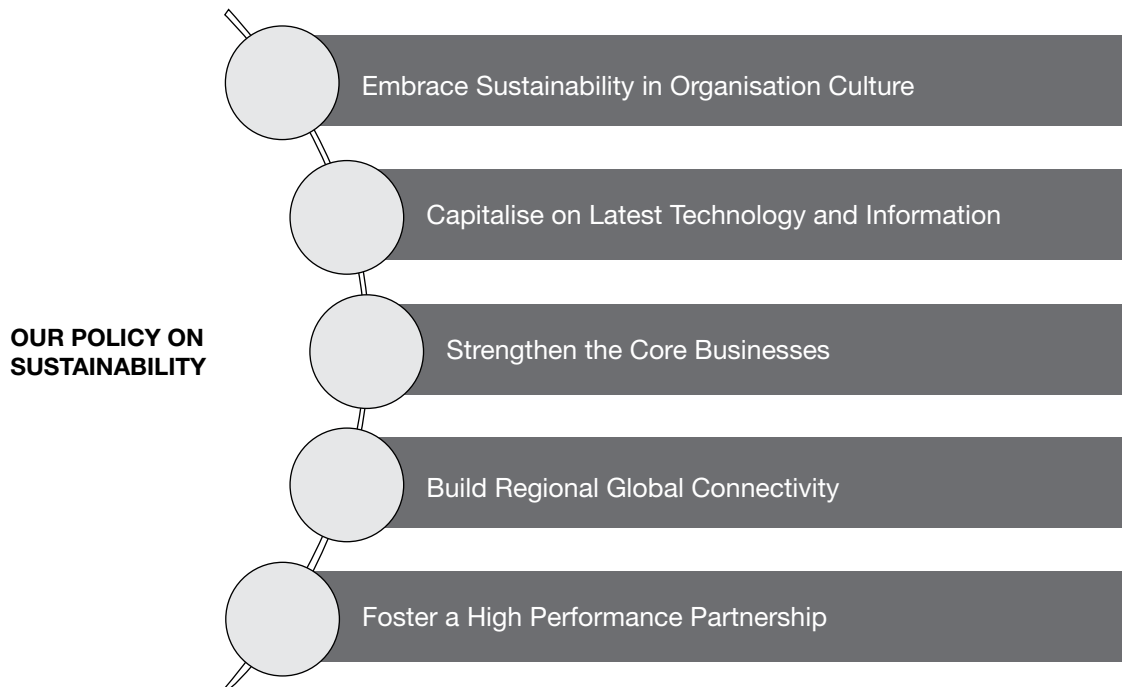


## SUSTAINABILITY STATEMENT (CONTINUED)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### SUSTAINABILITY POLICY

As our organisation expands, our unwavering dedication and enthusiasm towards sustainability have become more pronounced. We have formulated a distinct company philosophy centred on sustainability, which serves as a guiding principle for all decisions concerning the economic and operational aspects of Lay Hong.



Sustainability has consistently been a cornerstone of the Group's culture as we endeavour to attain ongoing growth and profitability within a safe, caring, and sustainable environment. Our mission, as a responsible corporate citizen, is to uphold high standards of governance throughout our business to foster responsible business practices, mitigate environmental impacts, and address the social needs of the communities in which we operate.



#### ECONOMIC

##### Sustaining our economy

Delivering sustainable returns to shareholders

Delivering quality products and services to achieve customers' satisfaction



#### ENVIRONMENT

##### Conserving our environment

Protecting and preserving the environment pursuant to applicable regulations



#### SOCIAL

##### Building a resilient workforce

Ensuring a positive workplace for our employees

##### Serving our community

Contributing to the well-being of the community around us

## SUSTAINABILITY STATEMENT (CONTINUED)

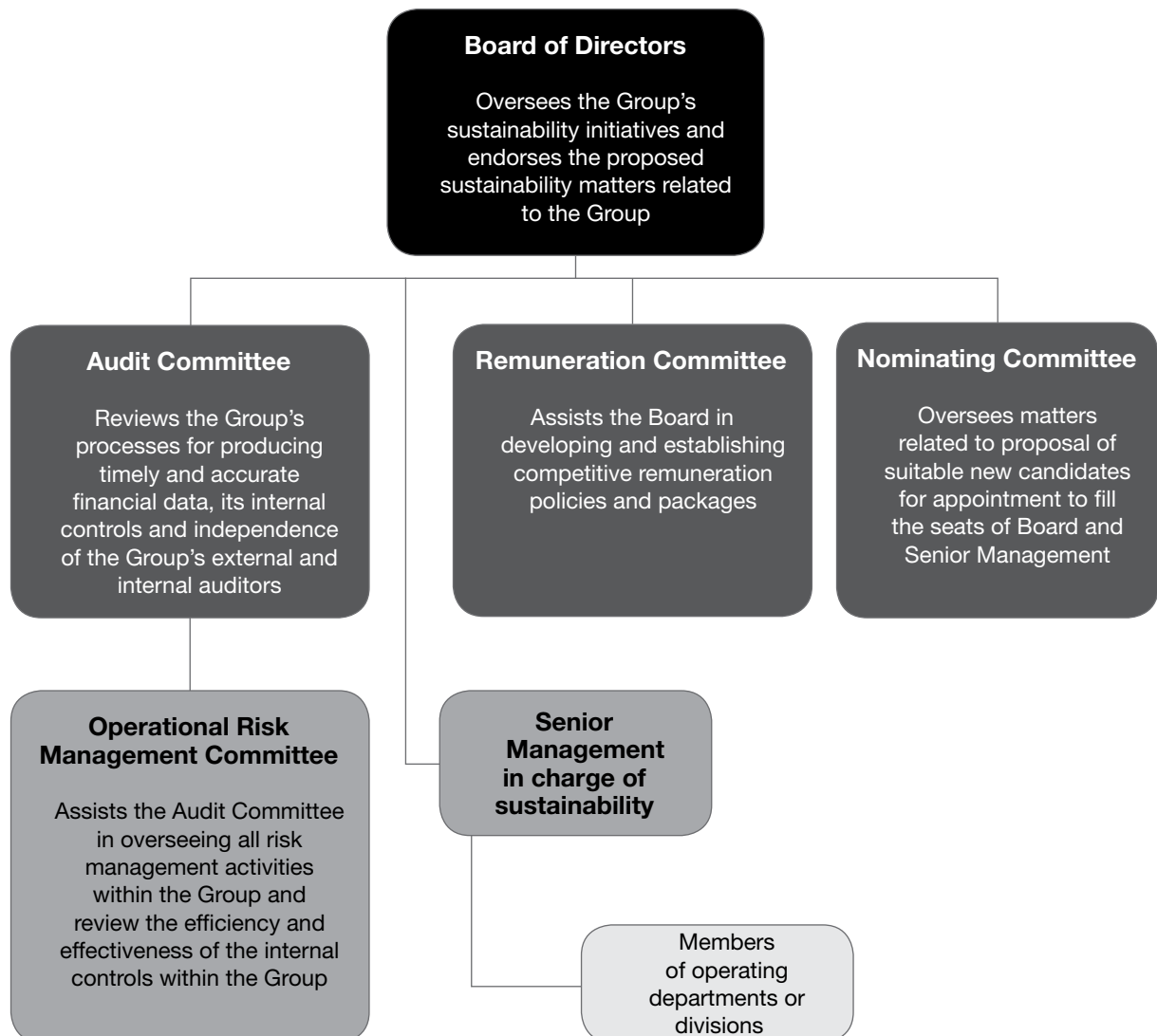
### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### SUSTAINABILITY GOVERNANCE

The Group holds the belief that integrity and ethics are fundamental to good governance. They serve as the cornerstone for integrating sustainability goals into our decision-making processes, fostering transparency, managing risks effectively, and driving long-term success.

The Board is ultimately responsible for the Group's strategic direction on sustainability while being supported by the respective Board Committees. The structure adopts a top-down approach with strong leadership oversight.

The Board assesses key sustainability material matters that guide our sustainability initiatives. Subsequently, Senior Management is assigned to develop and execute strategies and initiatives related to these matters. They are responsible for reporting the outcomes of sustainability efforts to the Board. Operating departments or divisions provide support to the relevant Senior Management in implementing these tasks.







## SUSTAINABILITY STATEMENT (CONTINUED)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### SUSTAINABILITY GOVERNANCE (CONT'D)

The responsibility of the Board to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

#### STAKEHOLDER ENGAGEMENT

Our stakeholders are integral to Lay Hong's ongoing growth and development. Therefore, it's vital that we actively seek to understand their relevant issues and concerns. Our objective is to foster strong, enduring relationships with all stakeholders, meeting their needs and expectations while minimising the impact of our operations for a sustainable future.

Through stakeholder meetings, workshops, and other engagements, we actively cultivate trust and mutual respect in our relationships. This approach allows us to stay informed about relevant societal issues, ensuring that our business strategy aligns with stakeholder concerns and expectations.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which we engage them.

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	OUR RESPONSE
Shareholders, Financiers & Investors	<ul style="list-style-type: none"> <li>• Financial reports and announcements</li> <li>• General meetings</li> <li>• Annual report</li> <li>• Press releases</li> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Business strategies and future plan</li> <li>• Return on investments</li> <li>• Financial and operational performance</li> <li>• Good management and corporate governance</li> <li>• Sustainability initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Timely updates on the Group's strategy and financial performance via announcements</li> <li>• Uphold good governance practices across the Group</li> <li>• Monitor sustainability performance and targets via Bursa Malaysia Environment, Social and Governance ("ESG") Reporting Platform</li> </ul>

## SUSTAINABILITY STATEMENT (CONTINUED)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	OUR RESPONSE
Government Agencies & Regulators	<ul style="list-style-type: none"> <li>Compliances to laws and regulations</li> <li>Participation in government and regulatory events</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Corporate governance practices</li> </ul>	<ul style="list-style-type: none"> <li>Regular review and monitor to ensure full compliance with regulatory requirements (i.e. Department of Islamic Development Malaysia (JAKIM), Department of Environment (DOE))</li> <li>Food safety controls (i.e. Makanan Selamat Tanggungjawab Industry (MeSTI) certification, Veterinary Health Mark (VHM) certification, Hazard Analysis and Critical Control Point (HACCP) certification, Good Manufacturing Practices (GMP) certification)</li> <li>Adoption of practices outlined in the Malaysian Code on Corporate Governance</li> <li>Sijil Pendaftaran Pembuat Makanan Haiwan for Feedmill, Malaysian Good Agricultural Practices (myGAP) for Farms and Lesen Unggas for Farm under Department of Veterinary Services (DVS)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Internal communications (i.e. emails)</li> <li>Workshops and trainings</li> <li>Employee engagement survey</li> <li>Employee engagement events</li> <li>Employee appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Business growth and strategic direction</li> <li>Inclusive workplace</li> <li>Remuneration and benefits</li> <li>Career development and upskilling opportunities</li> <li>Occupational safety &amp; health</li> </ul>	<ul style="list-style-type: none"> <li>Promote transparent communication with employees</li> <li>Provide equal employment opportunities without discrimination</li> <li>Offer industry-competitive benefits and remuneration packages</li> <li>Provide relevant upskilling and development opportunities</li> <li>Ensure compliance with Occupational Safety and Health Act</li> </ul>



## SUSTAINABILITY STATEMENT (CONTINUED)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	OUR RESPONSE
Customers	<ul style="list-style-type: none"> <li>Customer support channels (i.e. website, email)</li> <li>Regular meetings</li> <li>Marketing activities and campaigns</li> <li>Customer satisfaction survey form</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfactions (i.e. affordable products, food safety and high-quality products)</li> <li>Customer experience</li> <li>Innovative product</li> <li>Consumer data privacy</li> </ul>	<ul style="list-style-type: none"> <li>Offer affordable products</li> <li>Adhere to food safety and quality standards</li> <li>Food safety controls</li> <li>Adhere to the Personal Data Protection Act 2010</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Quality audit on products and services</li> <li>Contract negotiation</li> <li>Supplier assessment/ performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Transparency in procurement processes</li> <li>Business growth and timely payment</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on provision of transparent procurement processes</li> <li>Timely payment based on credit term</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Community impacts programmes</li> </ul>	<ul style="list-style-type: none"> <li>Community welfare and continued likelihood</li> </ul>	<ul style="list-style-type: none"> <li>Investment in welfare to improve community well-being</li> </ul>
Analyst / Media	<ul style="list-style-type: none"> <li>Media releases or media briefings</li> <li>Financial reports and announcements</li> <li>General meetings</li> </ul>	<ul style="list-style-type: none"> <li>Transparency in communicating information and updates on business performance and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Provide transparent communication through announcements</li> </ul>

### MATERIAL MATTERS

As an organisation, we recognise that our material issues can directly and indirectly affect our ability to generate long-term value for our stakeholders. These material matters significantly influence our business strategy and guide our decisions regarding the allocation of resources to address sustainability issues that are deemed important to our stakeholders and our business.

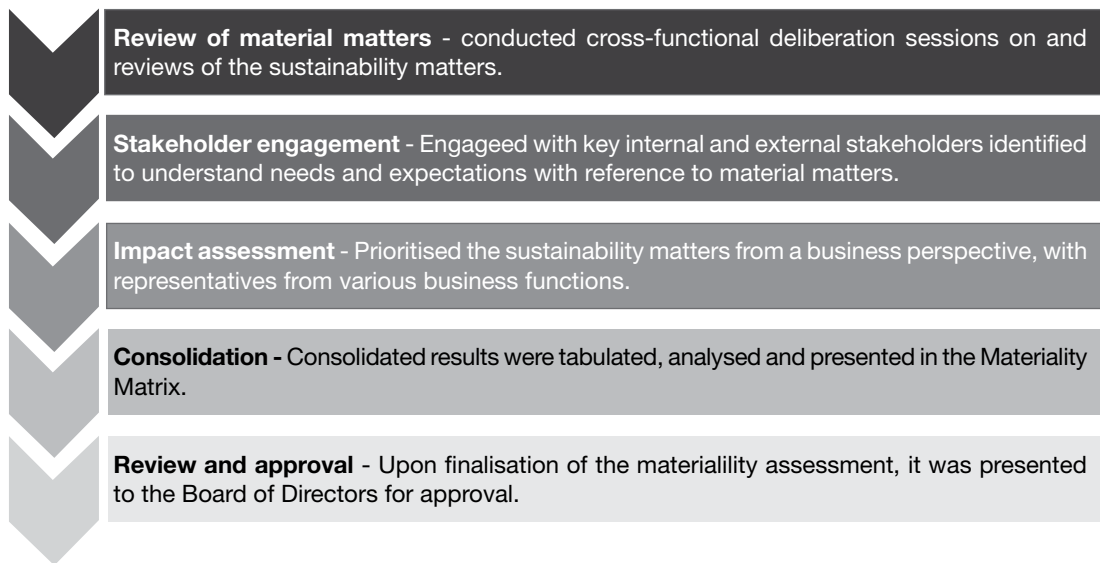
We periodically update the assessment to ensure it remains current, accurate, reflective, and relevant to our businesses. This helps us to align our strategy and day-to-day operation with business needs and create long-term sustainable value to stakeholders.

## SUSTAINABILITY STATEMENT (CONTINUED)

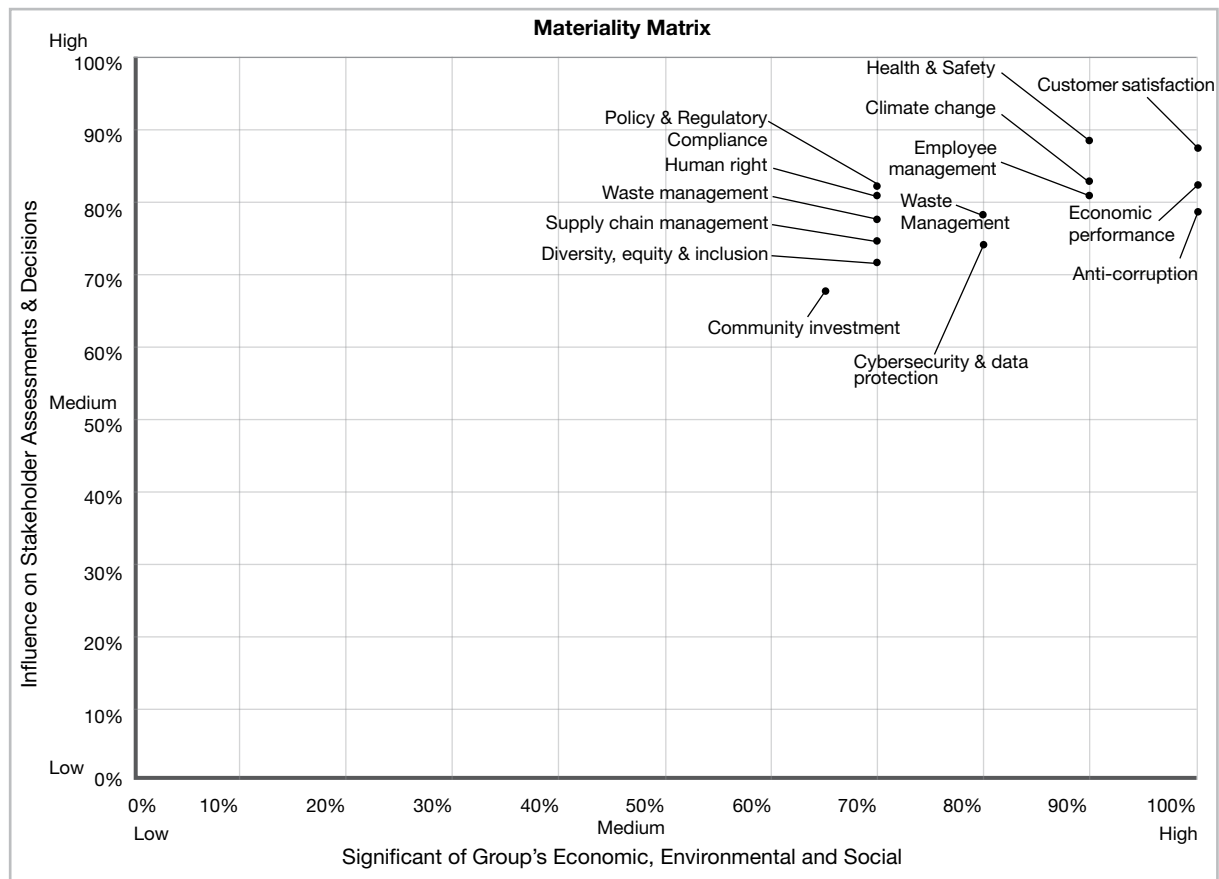
### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### MATERIAL MATTERS (CONT'D)

This year, we conducted an internal assessment, a limited-scale materiality review to prioritise and rank material matters relevant to our businesses and stakeholders. Moving forward, we intend to conduct a more comprehensive materiality assessment, engaging with key stakeholders, and we aim to publish the results in our next report.



#### MATERIAL MATRIX





## SUSTAINABILITY STATEMENT (CONTINUED)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### RISK MANAGEMENT

Lay Hong's unwavering dedication to risk management is a foundational element in ensuring our long-term viability and building stakeholder confidence, while concurrently fostering a lasting positive impact.

We have implemented a robust system encompassing risk management and internal control, extending beyond financial controls to include operational and compliance controls. This comprehensive approach to risk management and internal control is an ongoing and coordinated process aimed at minimising the likelihood of fraud and error, while also managing, rather than eliminating, the risk of failing to achieve our business objectives.

Material Matters	Risks	Opportunities
<b>Economic Performance</b>	Poor financial performance jeopardises business continuity and loss of investment opportunity	Sustainable financial performance attracts investors and generate long-term value for all stakeholders
<b>Customer Satisfaction</b>	Failing to meet customers' expectations undermines customer confidence and loyalty, ultimately resulting in lower revenue	Satisfied customers foster loyalty and promote repeat orders
<b>Anti-Corruption</b>	Corruption may tarnish the reputation, result in financial losses and reduced competitiveness	Strong governance to combat corruption enhances credibility and gains competitive edge
<b>Cybersecurity &amp; Data Protection</b>	Cyberattacks can lead to unauthorised access, theft, or exposure of sensitive data, resulting in financial losses, loss of trade secrets and proprietary information, legal liabilities, and reputational damage	Robust cybersecurity measures build trust and confidence among customers, investors, and partners, enhancing the organisation's reputation and brand value
<b>Human Right</b>	Violations of human rights, such as labour exploitation, discrimination, or unsafe working conditions, can tarnish the organisation's reputation, leading to loss of trust among stakeholders, negative public perception and legal liabilities	Demonstrating a commitment to human rights principles and ethical practices enhances the organisation's reputation, builds trust with stakeholders, and attracts socially conscious consumers, investors, and partners.
<b>Health &amp; Safety</b>	Failure to address health and safety hazards can lead to workplace accidents, injuries, and fatalities, resulting in human suffering, legal liabilities, and financial losses	Prioritising health and safety fosters a culture of care, trust, and mutual respect, enhancing employee morale, motivation, and engagement



## SUSTAINABILITY STATEMENT (CONTINUED)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
Employee Management	Difficulty in attracting and retaining skilled employees can hinder business growth and innovation, leading to competitive disadvantages.	Engaged employees are more productive, committed, and loyal, leading to higher levels of job satisfaction, retention, and organisational success
Diversity, Equity & Inclusion	Exclusionary practices or cultures can lead to feelings of alienation and disengagement among employees from underrepresented groups, hindering collaboration, innovation, and productivity	Embracing diversity and equity fosters a culture of inclusion where employees feel empowered to contribute diverse perspectives and ideas, driving innovation and creativity
Supply Chain Management	Dependence on a limited number of suppliers or single sourcing increases the risk of supply disruptions, quality issues, and price volatility, leaving the organisation vulnerable to changes in supplier behaviour or market conditions	Building collaborative relationships with suppliers based on trust, transparency, and mutual benefit fosters innovation, knowledge sharing, and joint problem-solving, leading to improved product quality, cost savings, and competitive advantage
Community Investment	Failure to address social issues, economic disparities, and community grievances may fuel social unrest, civil unrest, protests, and community opposition, posing operational disruptions, reputational damage, and regulatory scrutiny	Strategic community investment initiatives, philanthropic donations, and social programs enable organisations to address social challenges, support underserved communities, and create positive social impact, contributing to poverty alleviation, education, healthcare, and sustainable development goals
Climate Action	<p>Increasing government regulations aimed at reducing greenhouse gas emissions and mitigating climate change may require corporations to invest in costly emission reduction measures or face fines and penalties for non-compliance</p> <p>Climate change-related disruptions, such as extreme weather events or resource shortages, can disrupt supply chains, increase production costs, and lead to delays in product delivery, affecting business operations and profitability</p>	Corporations that demonstrate environmental stewardship and sustainability leadership can differentiate themselves in the market, enhance brand reputation, and attract environmentally-conscious consumers and investors

## SUSTAINABILITY STATEMENT (CONTINUED)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
<b>Water Management</b>	Water disruption due to droughts, climate change, and etc. poses operational risks	Implementing water conservation measures, water-saving technologies, and sustainable water management practices, enhances water efficiency, reduces water consumption, and minimises water-related costs and risks
<b>Waste Management</b>	Non-compliance with waste management regulations, environmental laws, and health and safety standards may result in fines, penalties, legal liabilities, and reputational damage for the organisation	Implementing waste reduction, recycling, and proper waste disposal initiatives enables the organisation to recover valuable materials, conserve natural resources, reduce raw material costs, and minimise environmental impact, while promoting circular economy principles.
<b>Policy &amp; Regulatory Compliance</b>	Non-compliance with policies and regulations can result in legal penalties, fines, or even lawsuits, which can significantly impact the financial health and reputation	Compliance with policies and regulations builds trust and credibility among stakeholders, including customers, investors, employees, and regulatory bodies, which can enhance long-term relationships and support business growth

### MANAGEMENT APPROACH FOR MATERIAL MATTERS

#### RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(S)")

In September 2015, all one hundred and ninety-three (193) United Nation member states adopted "Agenda 2030" - a plan to solve the world's most pressing environmental, social and economic problems over the next fifteen (15) years. It consists of seventeen (17) goals and one hundred and sixty-nine (169) targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation, and climate change. Malaysia is committed to "Agenda 2030" through its SDG Roadmap.

We support the SDGs, recognise their strategic importance to our business and to the world, hence we are committed to helping achieve them. The Group has well-established programs to ensure we operate sustainably and responsibly, following our long-standing commitment to ethical corporate citizenship and promoting sustainability in all our activities. All the SDGs are relevant to our operations to varying degrees and we are already contributing to many of these goals.



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)



#### ECONOMICAL SUSTAINABILITY

### ECONOMIC PERFORMANCE

Related UNSDGs:



At Lay Hong, our business success hinges on creating long-term value for our stakeholders. By achieving financial growth, we can facilitate job creation and entrepreneurial opportunities, increase our contributions to governmental taxes and strengthen local supply chains.

We achieve this by maintaining leadership in our core markets, harnessing innovative technologies, utilising our employees' expertise to meet evolving consumer demands, and exploring opportunities to enter new markets.

In FYE 2024, Lay Hong reported a total revenue and other income of RM1,063.7 million and consistently generates values for our stakeholders, as illustrated in the table below.

	FYE 2024 RM'mil
<b>Economic value generated (i.e. revenue and other income)</b>	1,063.7
<b>Economic value distributed:</b>	
• Operating costs	823.5
• Employee wages and benefits	108.4
• Payment to providers of capital (i.e. dividend and financing cost)	14.5
• Payment to government (i.e. tax)	8.5
• Community investment	–
<b>Economic value retained</b>	108.8

*Note: The financial results presented in the table are derived from the audited financial statement and our Management Discussion and Analysis, which are available for reference in our Annual Report.*



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ECONOMICAL SUSTAINABILITY (CONT'D)

##### CUSTOMER SATISFACTION

Related UNSDGs:



The Group acknowledges that customer satisfaction and loyalty play crucial roles in achieving long-term success. To this end, we are committed to enhancing customer satisfaction by actively considering their feedback and ensuring that high-quality standards are consistently met across all our products and services.

We recognise that customers are our most important partners in innovation. To stay ahead of the competition, we value customer feedback as a valuable resource for ideas and to drive future improvement. We are committed to enhancing our customers' experience by engaging with them through multi-faceted channels, including in-person meeting, email or our website.

We have adopted an impartial feedback mechanism to address customer complaints and manage our relationship with them. The Customer Satisfaction Survey Form and periodic interaction with key customers during contract renewals not only ensure the Company's records are clean but also enables product and service excellence.

We achieved overall score 80% from customers who rated our eggs-related operations as "Good" and "Excellent". This reflects our ongoing efforts to address customer needs and exceed their expectations across various aspects of our operations. We remain steadfast in our goal to attain a customer satisfaction score of 80%, signifying our relentless pursuit of excellence in customer service and satisfaction.

	FYE 2024	Target
<b>Customer Satisfaction Score</b>	80%	80%

#### Product safety & quality

As a provider of food sources, we hold ourselves accountable to creating nourishing products that are of quality. Lay Hong is dedicated to ensuring the safety of its food products and being accountable for public safety in relation to food consumption. We consciously enforce stringent quality controls and promote food safety to ensure our products meet the highest food quality and safety requirements to provide value to customers. We subject our products to scrutiny by local and international certification bodies. A number of our production processes are accredited by ISO 9001:2015 Quality Management System as well as ISO 22000:2018 Food Safety Management System.



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ECONOMICAL SUSTAINABILITY (CONT'D)

#### CUSTOMER SATISFACTION (CONT'D)

##### *Product safety & quality (Cont'd)*

Food safety controls including risk assessment, hazard analysis, traceability procedures, hygiene controls are established in our operations to ensure systematic management of food safety. We are in compliance with all relevant laws and regulations governing food safety and quality:

- Veterinary Health Mark (“VHM”) certification for chilled/frozen chicken, frankfurters & liquid eggs
- Hazard Analysis and Critical Control Point (“HACCP”) certification for food processing
- Good Manufacturing Practices (“GMP”) certification for production of ready feed and food processing
- Makanan Selamat Tanggungjawab Industry (“MeSTI”) certification by Ministry of Health Malaysia for food processing



We are committed to develop an employee competency culture. 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 operations receive trainings on food safety and quality control provided by the Group at least on an annual basis.

During the financial year under review, none of our products are being recalled for health and safety reasons.

	FYE 2024	Target
<b>Number of recalls issued and total units recalled for health and safety reasons</b>	Nil	Nil

#### **Biosecurity**

Apart from food safety and quality control, we continue to place stringent biosecurity controls throughout our farming operations encompassing parent stock breeder farms and hatcheries, layer farms and broiler farms. Adhering to good farm management practices and strict biosecurity measures is central to healthy and hygienic poultry. Audits are conducted regularly for continuous identification of improvement areas. We ensure compliance with Malaysian Good Agricultural Practice (myGAP) by Department of Veterinary Services under Ministry of Agriculture and Agro-Based Industry Malaysia for livestock sector.

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ECONOMICAL SUSTAINABILITY (CONT'D)

##### CUSTOMER SATISFACTION (CONT'D)

###### Halal certification

We ensure peace-of-mind and safe consumption for all by subjecting our products and processes to halal certification. These comprise hygiene, quality and safety conditions from sourcing to distribution. All of our products are halal certified and complied with requirements of Malaysia Standard (MS1500:2019) and Halal Manual Certification by Department of Islamic Development Malaysia (JAKIM).

Pursuant to this, Halal Toyiyban Assurance Management System (HTAMS) has been established with the mission of:

- To ensure the integrity of Halal processing by continuously and consistently monitored on the compliance to the Syariah (Islamic Law)
- To ensure compliance to all guidelines issued by Malaysian authorities such as Halal Assurance Management System of Malaysia Halal Certification produced by JAKIM
- To ensure compliance to the Malaysia Standard MS 1500:2019 Halal Food Production, Preparation, Handling and Storage – General Guideline (Second Revision) produced by SIRIM



###### Innovation

Innovation plays a crucial role in ensuring the long-term success of Lay Hong's business. It serves as a proactive strategy to tackle the increasing concerns related to societal and environmental issues. Additionally, innovation provides an opportunity to introduce new and unique product or service offerings that align with the evolving needs of our customers.

In terms of processing, our high technology air-chilled chicken processing facilities can reduce the hazard of cross contamination and ensure the highest quality chicken products for the consumers. This is also to ensure that we are able to achieve, sustain and continually improve the business relevant standard that directly impacts our business continuity.

Other than that, we are aware of new technologies to improve our business processes. In this regard, we will endeavour to keep abreast with more technological and bio-technological advances and innovations in the fields of renewable energy, greening, materials, intelligence and electronic systems, transport and food science.

We take pride in receiving the prestigious BESTBRANDS Award for "Most Favourite Brand - Consumer Egg" by The BrandLaureate in 2016-2017. Furthermore, in 2022, our NutriPlus brand earned another remarkable achievement, "The BrandLaureate WORLD PROMINENT BUSINESS BESTBRANDS Award 2022" for Consumer Premium Processing Food.





## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ECONOMICAL SUSTAINABILITY (CONT'D)

#### CUSTOMER SATISFACTION (CONT'D)

##### *Innovation (Cont'd)*

Lay Hong's products are marketed under two brands namely Nutriplus and Wise Choice, which are registered for trademark. Over the years, we have also been honoured with various commendable regional awards and received accreditation from our esteemed business partners. Our products quality with international quality accreditation had gained us as one of the market leaders in this industry.



Lay Hong is honoured to be recognised as an outstanding broiler farm in the livestock industry by the prestigious Malaysian Livestock Industry Awards 2023 (MLIA 2023). This prestigious accolade highlights outstanding achievements by individuals and companies that have made a significant impact on the country's livestock sector. Chosen by a panel of expert judges, the awards honoured 15 winners across various categories such as innovation, adaptation, trade services, academia, and best practices. Lay Hong exemplified remarkable dedication and success in advancing the industry, reflecting our commitment to excellence within Malaysia's livestock sector.

### ANTI-CORRUPTION

#### Related UNSDGs:



Lay Hong maintains high standards of business ethics and compliance throughout the Group, reflecting our core values. This commitment is essential for safeguarding the interests of both the business and stakeholders, while also building trust and reinforcing confidence among our stakeholders.

The Board and Management team remain dedicated to conducting business with integrity, guided by our Code of Conducts ("COC"). The COC articulates Lay Hong's fundamental principles and guidelines for Board of Directors to address ethical issues and fulfil their responsibilities. Our zero-tolerance stance against corruption is outlined in our Anti-Bribery & Corruption ("ABC") Policy, which undergoes regular review to align with the Malaysian Anti-Corruption Commission (MACC) Act 2009.

New joiners undergo an induction programme where they are required to familiarise themselves with the Group's ABC Policy, and other accompanying policies and procedures. Our suppliers are also subject to ethical conduct and anti-bribery and corruption guidelines as entailed within the ABC Policy.

Lay Hong has set up a dedicated whistleblowing channel in accordance with the Whistleblowing Policy. This channel enables both employees and external stakeholders to confidentially report improprieties via email or mail to Audit Committee Chairman. The Group has made our COC, ABC Policy, and Whistleblowing Policy accessible on our corporate website to ensure accessibility for all stakeholders.

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ECONOMICAL SUSTAINABILITY (CONT'D)

##### ANTI-CORRUPTION (CONT'D)

###### Corruption-related training

We will commence tracking anti-corruption training for disclosure in the next fiscal period. This initiative underscores our commitment to cultivating a culture of transparency, integrity, and ethical conduct across our organization

Moving forward, we are dedicated to reaching a completion rate of 100% in the coming years. This demonstrates our unwavering commitment to ensure that all employees are equipped with the necessary knowledge and awareness to uphold the highest standards of ethical behaviour and compliance with anti-corruption measures.

###### Corruption incidents

As of 31 March 2024, we recorded zero incidents of corruption across Lay Hong's business operations.

	FYE 2024	Target
<b>Number of complaints of bribery or corruptions reported</b>	Nil	Nil

###### Corruption risk assessment

The corruption risk review aims to assess the Group's exposure to corruption and bribery risks. We plan to initiate a corruption risk survey covering our major entities in Malaysia in the upcoming years.

### CYBERSECURITY & DATA PROTECTION

#### Related UNSDGs:



Lay Hong currently operates with a minimal IT infrastructure, consisting mainly of essential components such as a firewall, on-site backup system, and anti-virus software. Recognising the importance of robust IT infrastructure in today's digital landscape, Lay Hong is actively seeking to enhance its technology capabilities. To achieve this, the Group is in the process of appointing an IT company to conduct a comprehensive review and provide assistance in upgrading its IT infrastructure.

At Lay Hong, our commitment to data security and privacy remains steadfast. While operationally we don't handle extensive customer data, our practices align with Malaysia's Personal Data Protection Act 2010 in safeguarding all personal information belonging to our customers, employees, and stakeholders.

All of our employees are required to sign a Personal Data Protection Act form to ensure that all parties understand their rights and obligations regarding personal data protection within the workplace. In FYE 2024, there were no reported complaints regarding breaches of customer privacy or losses of customer data.

	FYE 2024	Target
<b>Number of substantiated complaints concerning breaches in customer privacy or data loss</b>	Nil	Nil

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ECONOMICAL SUSTAINABILITY (CONT'D)

#### SUPPLY CHAIN MANAGEMENT

##### *Related UNSDGs:*



Lay Hong prioritises trust and integrity in all supplier relationships. As a responsible company in Malaysia, we recognise our obligation to support our extensive supply chain, which includes small and medium-sized enterprises, especially in recovering local economy.

Our commitment to ethical business practices extends throughout our supply chain, where suppliers / subcontractors are expected to actively uphold our values and principles in their operations.

We are dedicated to ensuring fairness and transparency in our procurement practices to select the most credible suppliers and collaborate with those who prioritise social and environmental considerations. To facilitate this, our suppliers are efficiently engage in the following procurement processes:



At the start of a new project, identification of suitable suppliers relating to the quality of service and product output are among the key determinants during the tender or bid call. There is an internal checklist in the Supplier Registration Form released by the Procurement Department.

Suppliers must be environmentally and operationally sound, in addition to being a good fit with the Group's overall business goals and aspirations. Their good track record should also come with a clean bill of health for human rights and fair labour practices, no corruption or bribery and no pending environmental issues. All suppliers are to adhere to the Supplier Code of Conduct and the Non-Conformance policy defined under ISO 9001:2015 - Quality Management Systems. Hence, our suppliers are filtered through careful selection ensuring only the ones with appropriate criteria met are engaged.

Recognising our operational requirements, we prioritise sourcing products and services from local suppliers whenever feasible. We believe that this approach not only minimises the transportation of goods and reduces emissions, contributing to environmental preservation, but also provides local suppliers with opportunities for employment and business growth, thereby strengthening the local economy.

In FYE 2024, we have utilised 90% of procurement budgets to locate, evaluate and engage local suppliers with a strong service record, free from reputational issues and capable of turning around high-quality work at agreed schedules of delivery.

FYE 2024	
Proportion of spending on local suppliers	90%

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)



#### ENVIRONMENTAL SUSTAINABILITY

### CLIMATE ACTION

#### Related UNSDGs:



The Group acknowledges the role of our energy consumption and greenhouse gas emissions in contributing to climate change impacts. As responsible corporate citizens, we understand our duty to minimise our carbon footprint and seize opportunities that arise during the transition to a low-carbon economy.

We are committed to ongoing efforts aimed at enhancing our energy utilisation and efficiency. This commitment is reflected in the following initiatives:

- Install 216kWp Photovoltaic Diesel Hybrid System at one of our layer farms
- Install 1,516kWp Solar Photovoltaic System at our food processing plant to increase the use of renewable energy.
- Replace traditional lighting with energy-saving LED lights and install new inverter-type air conditioners for our office gradually.



This year, the total electricity consumption from the grid recorded was 64,015.3 megawatt-hours ("MWh").

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ENVIRONMENTAL SUSTAINABILITY (CONT'D)

##### WATER MANAGEMENT

###### Related UNSDGs:



The escalating issue of water scarcity is a growing concern attributed to various factors, including climate change, inadequate water management practices, and contamination. With water cuts and scarcity becoming more prevalent, the Group is dedicated to addressing the risk of water shortages by implementing efficient water management strategies across all our operations.

The amount of water used may vary depending on factors such as the size of the operation and specific process parameters, efforts are often made to optimise water usage and minimise waste through recycling and efficient water management practices.

We are committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises and sites.

These initiatives include:

- Implement rainwater harvesting systems for our farms to reduce water dependency on municipal water
- Reduce water wastage through regular checking and scheduled maintenance of toilets, pantries, etc.
- Install modified water taps with lower flow rates at our offices

This year, the total water consumption was 1.3 megalitres.

##### WASTE MANAGEMENT

###### Related UNSDGs:



We emphasise the importance of responsible waste management to mitigate our environmental impact and contribute positively to the communities we serve. We prioritise waste management at our farms and plants, recognising the potential hazards and adverse environmental impacts associated with waste production. We take a cautious approach to handling waste to safeguard the environment and public health.

Our waste management practices adhere to the regulations set forth by the Department of Environment ("DOE"). We ensure compliance by closely monitoring and managing scheduled waste according to DOE requirements. This includes partnering with licensed contractors for the transportation of waste to approved treatment facilities before disposal.

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### ENVIRONMENTAL SUSTAINABILITY (CONT'D)

##### WASTE MANAGEMENT (CONT'D)

The Group has in place proper waste treatment facilities at its chicken processing plants to prevent environmental contamination from its production effluents. Wastes from the poultry rearing activity are also recycled into organic fertilisers by using Harmless Bio-fermentation System DZR-50, thus reducing environmental contamination and contributing to lesser use of chemical fertilisers.

We understand the risk associated with pollution from discharge. We take strict measures to ensure wastewater generated from our sites is compliant with regulatory requirements before being discharged into the environment. The quality of effluents was closely monitored and reported to DOE.

Most of the waste produced at office buildings are general waste. We have established initiatives to increase awareness among our employees in efforts to reduce waste such as advocating the use of paperless documents by going digital, reuse items such as paper and segregation of non-recyclable and recyclable waste.



### SOCIAL SUSTAINABILITY

#### HUMAN RIGHTS

##### Related UNSDGs:



At Lay Hong, we are dedicated to upholding the rights of every employee, recognising the inherent value of their talents and ensuring they are treated with dignity, respect, and fairness. Our Board and Management team are instrumental in establishing ethical guidelines throughout the organisation, demonstrating our unwavering dedication to human rights and the welfare of every individual.

We are devoted to giving top priority to health and safety in the workplace, upholding the right to decent work, supporting freedom of association, promoting equal opportunities, and ensuring protection against discrimination.

In FYE 2024, Lay Hong's business practices are aligned with the Employment (Amendment) Act 2022. We do not abide by any form of child labour or forced labour, and we fully comply with the anti-child labour law. Additionally, we maintain strict compliance with the working hour laws set by the Employment (Amendment) Act 2022.



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

#### HUMAN RIGHTS (CONT'D)

##### *Equal compensation & benefits*

We conscientiously evaluate employee compensation and benefits to ensure their welfare and needs are adequately met. Our employment practices strictly adhere to all local labour legislation.

List of employee benefits in Lay Hong:

<b>Leaves</b>	Annual leave, sick leave, hospitalization leave, marriage leave, maternity leave, paternity leave, compassionate leave
<b>Insurance</b>	Hospitalization and surgical insurance, personal accident insurance.
<b>Wellness</b>	Outpatient, health screening, family medical benefit (manager and above)

##### *Respecting foreign worker rights*

We are committed to ensuring that all foreign workers hired for our operations, including those contracted and subcontracted, are treated with the utmost respect and dignity. We adhere to the relevant labour laws and regulations. In Malaysia, these laws encompass the Employment Act, which safeguards the rights of employees and prohibits child labour, the Factories and Machinery Act, which sets a minimum age of 21 years for operating machinery at worksites; and Act 446 of the Minimum Standards of Housing and Amenities (Amendment) Act 2019.

We are dedicated to continually enhancing the quality of accommodation provided to our workers, recognising that this is crucial for ensuring their welfare and well-being. In alignment with Act 446 of the Minimum Standards of Housing and Amenities (Amendment) Act 2019, we have initiated a comprehensive program to upgrade the living quarters of our farm and plant workers.

As part of this initiative, we ensure that the living spaces provided to our workers adhere to the required standards, including the provision of adequate amenities and facilities. We meticulously allocate an appropriate number of workers to each living space, ensuring that they have sufficient room and access to essential amenities.

Additionally, we prioritise the comfort of our workers by furnishing each living space with single beds of suitable size and thickness, as well as lockable cupboards to safeguard their belongings. By implementing these measures, we aim to create a conducive and supportive living environment that promotes the health, safety, and dignity of our workers.

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### HUMAN RIGHTS (CONT'D)

###### *Access to grievance mechanisms*

We have established a mechanism to receive, document, and resolve complaints or grievances, which is accessible to all, whether within or outside our organisation, who have concerns about potential acts of wrong doing. This platform provides individuals with an avenue to voice their concerns openly. Our employees are informed about our grievance handling process and Whistleblowing Policy.

We ensure swift and effective resolution of policy violations or inappropriate behaviour. Our focus is on granting access to remediation and redress processes for victims of human rights violations. We aim for zero incidents of socioeconomic non-compliance.

	FYE 2024	Target
Number of substantiated complaints concerning human rights violations	Nil	Nil

### HEALTH & SAFETY

#### Related UNSDGs:



In our pursuit of sustainable organisations, we prioritise employee health and safety. We aim to eliminate unsafe practices and promote a proactive “safety first” culture among our workforces. At Lay Hong, we seamlessly integrate workplace health and safety into our daily work routines, making it an integral part of every aspect of our operations. We enforce rigorous procedures to safeguard the physical well-being of our on-site employees and actively promote practices that contribute to the mental health enhancement of our workforce. We aim to achieve zero fatalities and Lost Time Incident Rate (“LTIR”).

#### *Safety-first culture*

Lay Hong strictly adheres to the laws and regulations in relation to occupational safety and health such as Occupational Safety and Health Act 1994 and Malaysia Employment Act 1955. The guidelines and legal requirements of these policies have been extended in our internal Occupational Safety and Health Policy as a signal to our employees about our commitment to creating a safety culture for all. All of our Safety Officers are registered with Department of Occupational Safety and Health (“DOSH”).

We focus on improving occupational safety and health performance through establishing objectives, targets, and ongoing monitoring of key performance indicators. We ensure that every worker receives proper training and appropriate safety gear when needed for protection against virus, bacteria, dust, water and other particles and gloves for handling of chemicals or other potentially hazardous materials. Furthermore, safety and health briefings and bio-securities screening are compulsorily conducted to all farm visitors on the awareness of safety and health before entering to the farm.

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### HEALTH & SAFETY (CONT'D)

###### *Safety & health upskilling*

To enhance the skills and safety awareness of our farms and plants, we have implemented various initiatives. These include regular safety moments, safety meetings, safety inductions for all employees and contractors, and specialised training sessions covering emergency preparedness, farms and plants safety, chemical hazards and on-the-job training.

In FYE 2024, a total of 1,245 participants received training on health and safety standards.

	FYE 2024
Number of employees and subcontractors trained on health and safety standards	1,245

In addition to training sessions, we maintain employee education on health and safety topics through newsletters. These communications highlight risky behaviours and safety hazards, ensuring continuous awareness among our workforces. Employees are actively encouraged to report potential health and safety hazards by sharing their concerns with their safety representative or supervisor.

###### *Safety & health reporting*

Our highest priority is ensuring the health, safety, and well-being of our employees and all workers on factories and farms, a commitment we uphold through diligent oversight and ongoing improvement efforts. The presence of an incident reporting mechanism enables us to record occurrences, leading to the development of mitigation plans and preventive measures aimed at reducing workplace incidents.

	FYE 2024
Total hours worked	2,976,770
Number of fatalities	Nil
Number of lost time injuries	11
Lost Time Incident Rate	0.74



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

#### DIVERSITY, EQUITY & INCLUSION

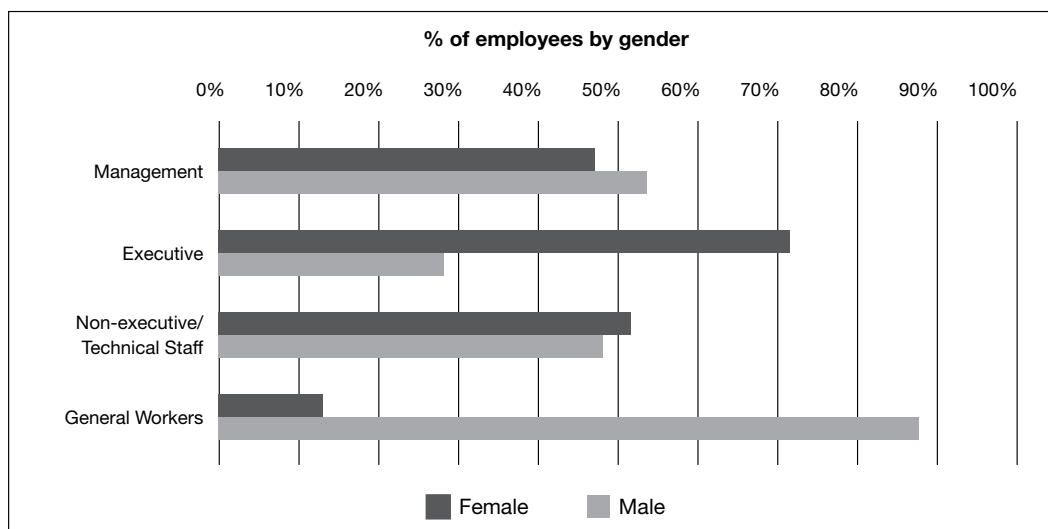
##### Related UNSDGs:



It is a strategic imperative to embrace the multifaceted dimensions of diversity, encompassing differences in race, gender, ethnicity, age, religion, cultural belief, disabilities, and sexual orientation. By appreciating and leveraging the distinctive talents of each employee, we not only enhance our workplace culture but also unlock a multitude of benefits that have a positive impact on our operations.

We endeavour to establish a workplace that is devoid of discrimination, marginalisation, and harassment by ensuring a level playing field for all. At Lay Hong, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

We find strength from the diversity and inclusivity that characterise our workplace. As at 31 March 2024, the total number of employees stood at 2,677 employees with 33% being female and the remaining 67% being male. It's important to note that the predominance of male employees is largely attributed to the nature of our industry, where general labour roles are traditionally filled by males. However, when excluding the general workers category, females make up 54% of our total workforce, reflecting our commitment to gender diversity across various roles within the organisation.

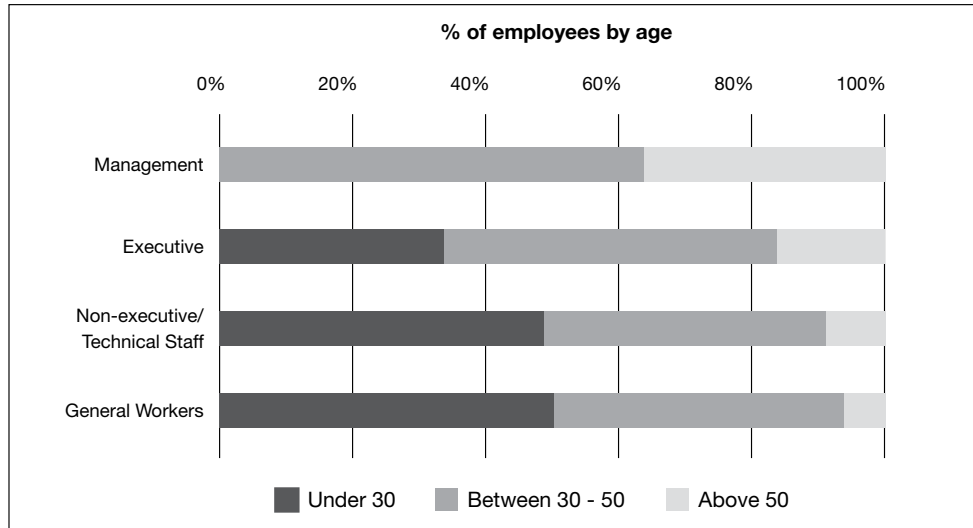


## SUSTAINABILITY STATEMENT (CONTINUED)

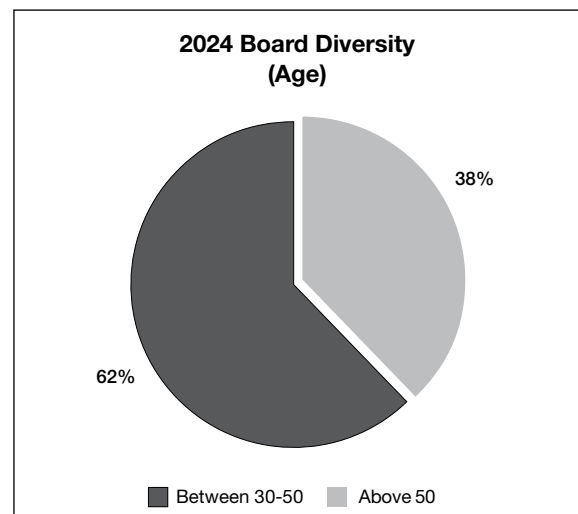
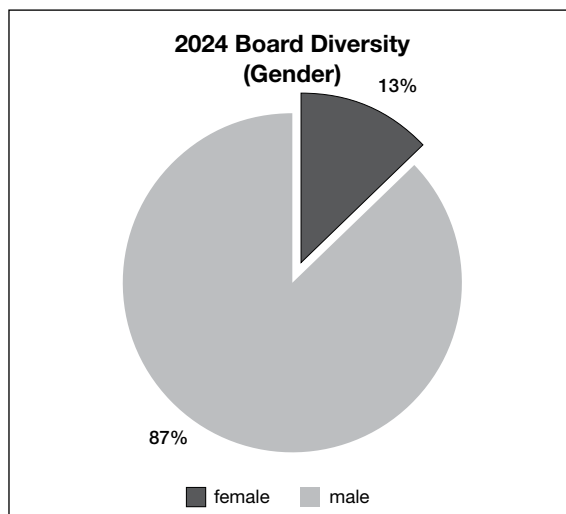
### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

#### DIVERSITY, EQUITY & INCLUSION (CONT'D)



The Nomination Committee endeavours to create a diverse pipeline with a good mix of people with varied experiences and backgrounds to enrich the organisation including board composition. During the fiscal year under review, Lay Hong had 13% women directors on its board of the holding company. The Board has expressed the view that, given the status of the Group's business and lifecycle, prioritising the right mix of skills on the Board is more crucial than strictly adhering to the proposed 30% threshold outlined in Practice 5.9 of the Malaysian Code on Corporate Governance. However, there is a continued commitment to achieving gender balance in the boardroom, key management, senior management and the workplace. Consequently, the Board is actively seeking potential women Directors and intends to appoint additional women Directors as suitable candidates are identified. Efforts will also be made to explore ways to enhance gender balance in today's workplace.





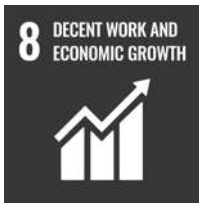
## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

#### EMPLOYEE MANAGEMENT

##### Related UNSDGs:



At Lay Hong, our most precious assets are our employees, and our commitment to them is unwavering. We understand that a thriving organisation is founded on a workforce that feels valued, empowered, and respected. In a secure and healthy workplace environment, we endeavour to provide all employees with equitable access to resources, benefits, and opportunities for skill development and career advancement. This approach not only fosters personal growth but also drives sustainable business expansion.

#### Talent Management Framework



##### *Talent acquisition & onboarding*

Our goal is to foster the growth and advancement of our existing workforce, facilitating their progression within Lay Hong. We are dedicated to maximising opportunities for our internal talent pool.

In cases where internal promotion may not be viable, our Human Resource team proactively employs a diverse array of assessment tools, ensuring a fair and rigorous recruitment process. We select candidates based on alignment with specific job requirements and our Group objectives. Our goal is to attract, hire, develop, and retain individuals who will positively contribute to our mission. We ensure all new hire benefit from a comprehensive and consistent on-boarding programme to facilitate a smooth transition into the organisation.

##### *Upskilling & reskilling*

Empowering our people to excel enables the growth and success of the Group. To achieve this goal, we offer continuous learning opportunities designed to support our employees' personal and professional development.

In FYE 2024, we remain committed to investing in training and development programmes, utilising both physical and online channels. We spent 14,609 hours on training, both in internal and external learning and development programmes.



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### *Upskilling & reskilling (Cont'd)*

Employee Category	Total hours of training FYE 2024
Management	315
Executive	2,715
Non-executive/Technical staff	5,421
General workers	6,158
<b>Total</b>	<b>14,609</b>

Employee Category	Average training hours per employee FYE 2024
Management	3.2
Executive	19.7
Non-executive/Technical staff	5.0
General workers	4.5

	FYE 2024
<b>Overall average training hours per employee (hours)</b>	<b>5.5</b>

##### *Performance management & compensation*

At Lay Hong, we firmly embrace our principles of being result-oriented, accountable, collaborative, and committed to shared success in driving both individual and team performance. These principles underscore our work culture, guiding us to achieve tangible outcomes, take ownership of our actions, foster teamwork, and celebrate collective achievements.

We recognise and reward exceptional performance through bonuses and promotions when one has delivered high-quality results and the demonstration of outstanding behaviour. Our employees are rewarded and recognised for their contributions with competitive pay and benefits. Lay Hong regularly reviews our remuneration packages to ensure alignment within the Group and with our peers, under prevailing local market rates and practices.

We have implemented a Human Resource Management System (HRMS) online, primarily for payroll processing. This system empowers our employees and managers to efficiently handle and access payroll-related aspects of their employment, such as accessing pay slips and reviewing tax information. This initiative aims to reduce our reliance on paper printing, contributing to a more environmentally sustainable approach within our Human Resource team's operations.

## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

##### EMPLOYEE MANAGEMENT (CONT'D)

###### *Succession planning*

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our Nomination Committee will review the Group's human resources plan including the succession management framework and activities. The succession planning across the Group is implemented by stages where training programme also designed specifically for managerial staff. A detailed job description is established for each job level.

###### *Employee engagement*

Lay Hong fosters a culture of engagement and inclusion through a range of activities such as annual dinner, festive season celebration and etc. We have also encouraged our employees to improve their physical well-being through participation in our company sports events and teambuilding activities.



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

#### EMPLOYEE MANAGEMENT (CONT'D)

##### *Employee engagement (Cont'd)*



##### *Employee retention & attribution*

Our attrition rate stood at 16% in FYE 2024. We aim to reduce our attrition rate by improving on our salary and reward scheme, creating a strong talent pipeline, and continuing to strengthen our talent development programmes.

Employee Category	Total numbers of new hires FYE 2024
Management	1
Executive	7
Non-executive/Technical staff	171
General workers	352
<b>Total</b>	<b>531</b>

Employee Category	Total numbers of employee turnover FYE 2024
Management	1
Executive	41
Non-executive/Technical staff	229
General workers	135
<b>Total</b>	<b>406</b>

	FYE 2024
New hire rates (%)	20%
Turnover rates (%)	16%

SUSTAINABILITY STATEMENT  
(CONTINUED)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

COMMUNITY INVESTMENT

Related UNSDGs:



At Lay Hong, we endeavour to be a responsible corporate citizen by actively engaging with and giving back to the communities in which we operate. We strongly believe that nurturing a positive relationship between businesses and communities enhances social inclusion and yields favourable outcomes in the long term.

As part of our dedication to community engagement, Lay Hong has made both monetary and non-monetary contributions to various orphanages, animal welfare supporting organisations, schools and charitable organisations. These contributions exemplify our commitment to supporting education, community development and social welfare initiatives.

Contributions to orphanages are crucial as they help provide a stable and nurturing environment for orphaned children, ensuring they receive the care, education, and opportunities they need to thrive despite their circumstances. Donations to animal welfare organizations play a vital role in ensuring that animals receive necessary care, protection, and advocacy. Whether through financial contributions, volunteering time, or raising awareness, individuals can make a significant impact on improving the lives of animals in need.

	FYE 2024 RM
Total amount invested where the target beneficiaries are external to Lay Hong	16,144



## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

#### SOCIAL SUSTAINABILITY (CONT'D)

#### COMMUNITY INVESTMENT (CONT'D)



We value the spirit of volunteerism among our employees, which is crucial for the success of Lay Hong's community impact programs and we will start to monitor and track employees' participation in community impact programs.





## SUSTAINABILITY STATEMENT (CONTINUED)

### MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)



#### GOVERNANCE SUSTAINABILITY

### POLICY & REGULATORY COMPLIANCE

#### Related UNSDGs:



Policy and regulatory compliance, particularly concerning environmental, social, and governance elements, stands as a cornerstone for ensuring the sustainability and long-term success of any company. Proactively adhering to policies and regulations can bolster Lay Hong's competitive advantage by distinguishing its products and services, enticing socially responsible investors, and expanding market share. Prioritising sustainability and ethical business practices positions us to surpass competitors and attain enduring growth and profitability.

Conversely, non-compliance with laws and regulations can incur fines, penalties, legal actions, and reputational harm, potentially resulting in financial losses, heightened operating costs, and diminished shareholder value. Therefore, it is imperative to emphasise compliance and continuously monitor regulatory landscapes to mitigate risks and foster sustainable business practices.

### MOVING FORWARD

In conclusion, our commitment to sustainability goes beyond mere rhetoric, it is deeply embedded in our corporate DNA and informs every decision we make. We recognise that sustainable business practices are not just a moral imperative but also a strategic advantage in today's dynamic business landscape.

We are committed to establishing a benchmark for sustainable business practices and are dedicated to systematically integrating sustainability initiatives into our day-to-day operations on an annual basis. Through the strategic deployment of sustainability measures, we seek not only to achieve superior business growth but also to honour our pledge to environmental preservation and social responsibility.



## SUSTAINABILITY STATEMENT (CONTINUED)

### PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Lay Hong as a Listed Issuer is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3rd Edition. The following performance data table, downloaded from the ESG Reporting Platform summarises indicators that are pertinent against our Material Matters.

Indicator	Measurement Unit	2024
<b>Bursa (Customer Satisfaction)</b>		
Customer Satisfaction Score	Percentage	80.00
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0.00
Executive	Percentage	0.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	64,015.30
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	1,300,000
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.74
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,245
<b>Bursa (Labour practices and standards)</b>		

# SUSTAINABILITY STATEMENT (CONTINUED)

## PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2024
Bursa C6(a) Total hours of training by employee category		
Management	Hours	315
Executive	Hours	2,715
Non-executive/Technical Staff	Hours	5,421
General Workers	Hours	6,158
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	41
Non-executive/Technical Staff	Number	229
General Workers	Number	135
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	66.00
Management Above 50	Percentage	34.00
Executive Under 30	Percentage	35.00
Executive Between 30-50	Percentage	50.00
Executive Above 50	Percentage	15.00
Non-executive/Technical Staff Under 30	Percentage	49.00
Non-executive/Technical Staff Between 30-50	Percentage	42.00

## SUSTAINABILITY STATEMENT (CONTINUED)

### PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2024
Non-executive/Technical Staff Above 50	Percentage	9.00
General Workers Under 30	Percentage	51.00
General Workers Between 30-50	Percentage	43.00
General Workers Above 50	Percentage	6.00
Gender Group by Employee Category		
Management Male	Percentage	54.00
Management Female	Percentage	46.00
Executive Male	Percentage	28.00
Executive Female	Percentage	72.00
Non-executive/Technical Staff Male	Percentage	48.00
Non-executive/Technical Staff Female	Percentage	52.00
General Workers Male	Percentage	87.00
General Workers Female	Percentage	13.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.50
Female	Percentage	12.50
Under 30	Percentage	0.00
Between 30-50	Percentage	38.00
Above 50	Percentage	62.00
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	16,144.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0

(\*) Restated

No assurance

External assurance

Internal assurance

# CORPORATE GOVERNANCE OVERVIEW REPORT

The Board of Directors (“**Board**”) presents this statement to provide shareholders and investors with an overview of the application of the principles set out in the Malaysian Code on Corporate Governance (“**CG**”) (“**MCCG**”) by Lay Hong Berhad (“**Lay Hong**” or the “**Company**”) and should be read together with the CG Report 2024 of Lay Hong (“**CG Report**”) which accompanies this Annual Report and is also available on Lay Hong’s website at [www.layhong.com.my](http://www.layhong.com.my) (“**Lay Hong’s Website**”).

The CG Report provides the details on how Lay Hong has applied each Practice as set out in the MCCG during the financial year ended 31 March 2024 (“**FYE 2024**”).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### (a) BOARD RESPONSIBILITIES

The roles and responsibilities of the Board and Management, the Board Committees and the individual Directors are set out in the Board Charter which is accessible through Lay Hong’s Website. The Board Charter will be reviewed on an annual basis or whenever required.

It is the primary governance responsibility of the Board to provide stewardship and directions for the management of Lay Hong and its subsidiaries (“**the Group**”). The Board’s responsibilities in respect of the stewardship of the Company include review and approve the strategic plans and key business initiatives, corporate governance and internal control frameworks. While the Board sets the platform of strategic planning and policies, the Executive Directors are responsible for implementing the operational and corporate decisions while the Independent Non-Executive Directors ensure corporate accountability by providing unbiased and independent views, advice and judgement and challenging the Management’s assumptions and projections in safeguarding the interests of shareholders and investors.

The Board has defined the roles and responsibilities for its Directors. In discharging their fiduciary responsibilities, the Directors deliberate and review the financial performance, the execution of strategic plans, the principal risks faced and the effectiveness of management mitigation plans, the appraisal of Executive Management, and Senior Management succession plan as well as the integrity of management information and systems of internal control of the Group.

The day-to-day management of the business operations of Lay Hong is led by the Executive Directors and a team of Key Senior Management. The Board is constantly updated by the team on the implementation of all business and operational initiatives and significant operational and regulatory challenges faced.

The Board is led by the Executive Chairman, one of the founding members of the Group and with his extensive experience in the business and operations of the Group, he can ensure the effective functioning of the Board. The role of the Chairman is defined and set out in the Board Charter and is further explained in the CG Report.

The Chairman facilitates the effective contributions of all Directors and promotes constructive and respectful relations between Board members and between Board and Management. The Board has well-defined descriptions for responsibilities of the Board Chairman, Executive Directors, and the individual Board Members. The roles and responsibilities of the Chief Financial Officer is currently carried out by the Executive Director in charge of the Group’s corporate services function inter-alia, treasury, accounting, finance, human resources, and information technology.

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit Committee (“**AC**”)
- Nominating Committee (“**NC**”)
- Remuneration Committee (“**RC**”)

The Board has defined the terms of reference for each Committee and the Chairman of these respective committee report and update to the Board on significant matters and salient matters deliberated in the Committees.

## CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (a) BOARD RESPONSIBILITIES (CONT'D)

The Board is supported by an External Company Secretary who is qualified to act as Company Secretary under Section 235 of the Companies Act 2016 and is an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators. The Company Secretary provides the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.

Continuous training is vital for the Directors in discharging their duties effectively. All Directors are encouraged to attend appropriate external training programmes to gain insight and keep abreast with developments and issues relevant to the Group's business especially in the areas of corporate governance and regulatory requirements.

The external training programmes, seminars and/or conferences attended by the Directors in office at the end of FYE 2024 were as follows:

No	Name	Training Programmes/Seminars/Conferences
1	Dato' Yap Hoong Chai	<ul style="list-style-type: none"> <li>Management Retreat: "Stay Ahead of Market Trends"</li> <li>E-Invoicing Programme Debriefing by Moore Advent Tax Consultants S/B: Introduction of E-Invoice</li> </ul>
2	Dato' Yeap Weng Hong	<ul style="list-style-type: none"> <li>Management Retreat: "Stay Ahead of Market Trends"</li> <li>E-Invoicing Programme Debriefing by Moore Advent Tax Consultants S/B: Introduction of E-Invoice</li> </ul>
3	Dato' Yap Chor How	<ul style="list-style-type: none"> <li>Management Retreat: "Stay Ahead of Market Trends"</li> <li>E-Invoicing Programme Debriefing by Moore Advent Tax Consultants S/B: Introduction of E-Invoice</li> </ul>
4	Ng Kim Tian	<ul style="list-style-type: none"> <li>Management Retreat: "Stay Ahead of Market Trends"</li> <li>E-Invoicing Programme Debriefing by Moore Advent Tax Consultants S/B: Introduction of E-Invoice</li> </ul>
5	Tan Chee Hau	<ul style="list-style-type: none"> <li>Special Voluntary Disclosure Programme – Bakers Tilly</li> <li>Regulatory Requirements for Exporting to US – Matrade</li> <li>LHDN E-invoicing in Malaysia: Navigating Tax, Compliance &amp; IT Processes – Bakers Tilly &amp; Clear Tax</li> </ul>
6	Wong Soo Thiam	<ul style="list-style-type: none"> <li>Seminar on "[SSM Webinar] Company Secretaries Training Programme Significant 2.0 (Part B)"</li> <li>Seminar on "[SSM Webinar] Directors Conflict of Interests: How Company Secretary is to Advise"</li> <li>SSM National Conference 2023 on Shared Responsibility in Strengthening AML/CFT Compliance: Risks, Challenges and Collaborations</li> <li>National Tax Conference 2023</li> <li>MIA Webinar Series: ISA 500 &amp; 501 Audit Evidence and Specific Considerations for Selected Items</li> </ul>
7	Tham Wei Mei	<ul style="list-style-type: none"> <li>CKM Advisory: An Overview of the Listing Requirements</li> <li>Institute of Corporate Directors Malaysia (ICDM): A Delicate Balance – Board and Management Relationship</li> <li>ICDM: Protect Yourself from Being Sued as an INED – A Personal Journey</li> </ul>
8	Yeap Fock Hoong	<ul style="list-style-type: none"> <li>Nil</li> </ul>

The Board (via the NC and with assistance of the Company Secretary) continuously evaluate and determine the training needs of the Directors to build their knowledge so that they stay vigilant with the development of the Group's business and industry that may affect their roles and responsibilities.

CORPORATE GOVERNANCE OVERVIEW REPORT  
(CONTINUED)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****(b) BOARD COMPOSITION**

Lay Hong is led and managed by a diverse and experienced Board of Directors with a mix of suitably qualified and experienced professionals that are relevant to the business to carry out its responsibilities in an effective and competent manner.

The current Board is drawn from different ethnic, cultural and socio-economic backgrounds and their ages range from 47 to 74 years to ensure that diverse viewpoints are considered in the decision-making process. The profile of each Director is set out in the director's profile of this Annual Report.

The Board currently has eight members, including three Independent Directors. The Board takes cognizance of the recommendation that at least half of the Board comprise of independent directors and although the Board has not made any decision at this juncture, going forward, the Board will review and deliberate on the merits of the recommendation vis a vis, the Group's size, structure, and dynamics during the coming financial year.

During the FYE 2024, the Board through its NC conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The NC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively. The Board will continue to monitor and review the Board size and composition and will nominate new members as and when the need arises.

The Board has also adopted the best practices for assessing the independence of Independent Directors annually and the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. When the Board retains an Independent Director, who has served in that capacity for more than nine (9) years, the Board would justify its decision and seek shareholders' approval. The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors. The Constitution of the Company provides that all directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the annual general meeting ("AGM"). The above provisions are adhered to by the Board at every AGM.

At the forthcoming 2024 AGM, Dato' Yap Hoong Chai, Mr. Ng Kim Tian and Mr. Tan Chee Hau ("**Mr. Tan**") are due to retire under Clause 134 of the Constitution of the Company and being eligible have offered themselves for re-election. Following the NC's review on the performance of the three Directors and having noted their significant and valued contributions to the Board, the NC has recommended their re-election to the Board.

The Board (with exception of the retiring Directors who abstained) recommended the retiring directors be re-elected as the Directors of the Company as they have the character, experience, integrity, competence and time to effectively discharge their role as a Director of the Company.

The Board was further satisfied that Mr. Tan complied with his criteria of independence based on the Listing Requirements and remain independent in exercising his judgement and carry out his roles as independent non-executive director.

The Board has recommended their re-election to the shareholders at the forthcoming AGM for approval.

**(c) REMUNERATION**

The Board (via the RC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of Senior Management as well as the Directors and that it must be sufficient to attract and retain talent needed to run the Group successfully. The Board determines the remuneration of the Directors and each individual Director is required to abstain from discussing his/her own remuneration.



## CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### (c) REMUNERATION (CONT'D)

The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Senior Management. The RC's recommended remuneration for Directors and Senior Management is subject to the Board's approval as it is the ultimate responsibility of the Board to approve the remuneration of the Directors and Senior Management.

In relation to the fees and allowances for the Non-Executive Directors, it will be presented at the AGM for shareholders' approval.

The details of the remuneration of Directors on named basis for the FYE 2024 is as follows:

	Directors' Fees	Salaries, other emoluments and benefits	Total
	(RM)	(RM)	(RM)
<b>Executive Directors</b>			
Dato' Yap Hoong Chai	44,000	2,954,579	2,998,579
Dato' Yeap Weng Hong	40,000	1,606,703	1,646,703
Dato' Yap Chor How	40,000	3,789,314	3,829,314
Ng Kim Tian	40,000	1,673,905	1,713,905
<b>Subtotal</b>	<b>164,000</b>	<b>10,024,501</b>	<b>10,188,501</b>
<b>Non-Executive Directors</b>			
Tan Chee Hau	40,000	–	40,000
Wong Soo Thiam	13,333	–	13,333
Tham Wei Mei ( <i>Appointed on 31.05.2023</i> )	–	–	–
Yeap Fock Hoong	40,000	–	40,000
Tadaaki Ito ( <i>Retired on 27.09.2023</i> )	–	–	–
<b>Subtotal</b>	<b>93,333</b>	<b>–</b>	<b>93,333</b>
<b>Grand Total</b>	<b>257,333</b>	<b>10,024,501</b>	<b>10,281,834</b>

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### (a) AUDIT COMMITTEE

The AC currently comprises of three members, all of whom are Independent Directors. AC Chairman is Mr. Wong Soo Thiam ("**Mr. Wong**"). Mr. Wong is a former key audit partner of the Group; however, he has observed a cooling-off period of at least three years before being appointed as an AC member.

The AC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.

Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence. This confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the Independence Guidelines of the Malaysian Institute of Accountants.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report in this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### (b) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

During FYE 2024, the Board and AC were assisted by the Executive Directors and its Finance Department to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders' investments and the Group's assets.

The Group's internal audit function has been outsourced to an external consultant which reports directly to the AC.

The internal audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### (a) COMMUNICATION WITH STAKEHOLDERS

Lay Hong is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis.

#### (b) CONDUCT OF GENERAL MEETINGS

As stated earlier, the Board recognises the importance of communications with its shareholders and will take additional measures to encourage shareholders' participation at general meetings as recommended by the MCGG.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during the AGM.

To ensure effective participation and engagement with shareholders at the AGM in 2023, all Directors, including members of AC, NC and RC, attended and participated in the said virtual AGM.

In line with the best CG practice, the Notice of the 40th AGM and Annual Report will be sent out to shareholders at least 28 days before the date of the meeting to allow sufficient time for shareholders to consider the proposed resolutions to be tabled at the AGM.

# AUDIT COMMITTEE REPORT

## MEMBERS OF AUDIT COMMITTEE

The Audit Committee (“**AC**” or the “**Committee**”) of Lay Hong Berhad (“**Lay Hong**” or the “**Company**”) is comprised wholly of Non-Executive Directors as follows:

**Wong Soo Thiam**

*Chairman, Independent Non-Executive Director*

**Tan Chee Hau**

*Member, Independent Non-Executive Director*

**Tham Wei Mei**

*Member, Independent Non-Executive Director*

Mr Wong Soo Thiam (“**Mr Wong**”) is a member of the Malaysian Institute of Accountants.

Mr Wong meets the requirement of Paragraph 15.09 (1)(c)(i) of Main Market Listing Requirements (“**MMLR**”) in that he is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

## SECRETARY

The secretary to the AC is the Company Secretary of the Company.

## TERMS OF REFERENCE

The AC has discharged its function and carried out its duties as set out in the Terms of Reference (“**TOR**”).

The detailed TOR of the AC outlining the composition, duties and functions, authority and procedures of the AC are published and available on the Company’s website at [www.layhong.com.my](http://www.layhong.com.my).

## MEETINGS AND MINUTES

### Attendance at Meetings

The record of attendance of the members of the AC for meetings held during the financial year ended 31 March 2024 (“**FYE 2024**”) are as follows:

AC Member	Designation	Number of Committee Meetings attended
Wong Soo Thiam (Appointed on 13.06.2023)	Independent Non-Executive Director	4/4
Tan Chee Hau	Independent Non-Executive Director	5/5
Tham Wei Mei (Appointed on 13.06.2023)	Independent Non-Executive Director	4/4
Gan Lian Peng (Resigned on 13.06.2023)	Independent Non-Executive Director	1/1
Yeap Fock Hoong (Resigned on 13.06.2023)	Non-Independent Non-Executive Director	1/1

The quorum of the meeting is two (2).



## AUDIT COMMITTEE REPORT (CONTINUED)

### MEETINGS AND MINUTES (CONT'D)

#### Meetings

The AC will meet at least four (4) times a year although additional meetings may be called at any time at the discretion of the Committee. The record of attendance of the members of the AC is shown above.

The meetings are pre-scheduled and are timed just before the Company's Board of Directors' ("**Board**") meetings. The agenda carries matters that need to be deliberated, reviewed or decided on and reported to the Board. Notices and AC papers are circulated to all members prior to the meeting with sufficient time allocated for them to prepare themselves for deliberation on the matters being raised.

If the need arises, the Chairman has the discretion to call for the attendance of Management, internal auditors and external auditors during such meetings.

During its AC meetings, the AC shall review the risk management and internal control processes, the Interim and Year-end Financial Report, the Internal and External Audit Plans and Reports, Related Party Transactions/Recurrent Related Party Transactions, and all other areas within the scope of responsibilities of the AC under its TOR.

#### Minutes

The Company Secretary shall be the Secretary of the AC which shall provide the necessary administrative and secretarial services for the effective functioning of the Committee. The minutes of the meetings are circulated to the Committee and to all members of the Board.

### SUMMARY OF ACTIVITIES

In respect of the FYE 2024, the AC in discharging its duties and functions carried out activities which are summarised broadly as follows:

#### a) Internal Audit

The AC knows an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the systems of internal control.

The internal audit function was outsourced to Moore Stephens Associates PLT for the Company and its subsidiaries ("**Group**").

The internal auditor reports directly to the AC by presenting its Internal Audit Report during the AC meetings, whereby relevant issues identified in the Internal Audit Reports will be discussed with the Management in the meeting. Rectification work, if necessary, will be performed and follow-up will be carried out by internal auditors for the purpose of reporting at the subsequent AC meeting.

During the financial year, the internal audit reports which focus on the following internal audit review were presented to the AC:

- (i) Feedmill Operation Review
- (ii) Enterprise Risk Management ("**ERM**") Adequacy Review
- (iii) Food Manufacturing Operation Internal Control Review
- (iv) Follow-up review on IT general controls, broiler farm, credit control, food manufacturing, poultry operation on layer farms & distribution centre, G-MART Borneo retail operation on supermarket, feedmill operation and ERM Adequacy.

## AUDIT COMMITTEE REPORT (CONTINUED)

### SUMMARY OF ACTIVITIES (CONT'D)

#### b) Financial Reporting

In overseeing and discharging its responsibilities in respect of financial reporting, the AC:

- i. Reviewed the financial positions, quarterly interim financial reports, and announcements for the respective financial quarters prior to submission to the Board for consideration and approval;
- ii. Ensured the quarterly reports and Audited Financial Statements ("AFS") were prepared in compliance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") in Malaysia, and the Requirements of the Companies Act 2016 Malaysia while the quarterly reports took into consideration Paragraph 9.22 including Appendix 9B of the MMLR;
- iii. Reviewed the External Auditors' Audit Plan ("Audit Plan") for the FYE 2024 which covered the engagement and reporting requirements, audit approach, areas of audit emphasis, significant events during the financial year, communication with the management, engagement team, the reporting and deliverables as well as the proposed audit fees;
- iv. Reviewed the External Auditors' audit findings and recommendations and the AFS for the FYE 2024;
- v. Considered the performance of External Auditors, reviewed the independence of External Auditors and recommended to the Board for re-appointment;
- vi. To ensure the integrity of the financial information, received assurance from the Executive Directors and Executive Director in charge of Finance, that:
  - Appropriate accounting policies had been adopted and applied consistently;
  - The going concern basis applied in the AFS was appropriate;
  - Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs and IFRSs;
  - Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRSs and IFRSs and Listing Requirements; and
  - The consolidated AFS and the Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position.
- vii. Reviewed the AC Report, CG Overview Statement, CG Report and Statement on Risk Management and Internal Control ("SORMIC") for publication in the 2024 Annual Report; and
- viii. Reviewed the SORMIC together with the External Auditors and received assurance from the Executive Directors and Executive Director in charge of Finance that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects before recommending the statement to the Board.

#### c) External Audit

Messrs. Tai, Yapp & Co Pte ("TYC") is the External Auditors for the Group except for Takaso SC (Thailand) Limited. TYC led by their engagement partner presented their External Audit Plan for FYE 2024 and had declared and confirmed that they were independent and would be independent through their audit engagement.

For FYE 2024, the AC met with the External Auditors in the absence of Management in order to had the opportunity to assess the co-operation extended by the Management to the External Auditors, their attitude and readiness to provide documentation and explanations, as well as the adequacy of resources in the Group's Finance Department.



## AUDIT COMMITTEE REPORT (CONTINUED)

### SUMMARY OF ACTIVITIES (CONT'D)

#### c) External Audit (Cont'd)

There were no areas of major concern raised by TYC that warranted escalation to the Board. The External Auditors were also informed by the AC that should there be any significant incidents or matters detected during their audits or reviews which warrant their knowledge or intervention, it shall be reported to the AC accordingly.

The non-audit fees payable to the External Auditors was RM14,600.00 for the FYE 2024. The non-audit fees were in respect of services rendered in respect of review of the Statement on Risk Management and Internal Control and review of Group reporting was not accrued.

The AC carried out an assessment of the performance and suitability of TYC based on the quality of services and relationship with Management, AC, external auditors and Board. The AC has been generally satisfied with the independence, performance, and suitability of TYC based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of TYC as External Auditors for the financial year ending 31 March 2025.

### CG PRACTICES

Apart from discharging its duties with respect to the internal audit, financial reporting and external audit, the AC also reviewed the disclosures made in respect of the financial results and Annual Report of the Company in line with the principles and spirit set out in the Malaysian Code on CG, other applicable laws, rules, directives, and guidelines.

# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

## INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”) which requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders’ investment and the Group’s assets, the Board of Directors of Lay Hong Berhad (“Board”) is pleased to present the following Statement on Risk Management and Internal Control.

## BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility for the adequacy and integrity of the Group’s system of internal controls. The system of internal controls, by its nature, can only provide reasonable and not absolute assurance against any material loss or fraud. It is also recognised that risks cannot be eliminated. As such, the systems and procedures put in place are aimed at minimising and managing risks.

## RISK MANAGEMENT FRAMEWORK

The Board confirms that there is an ongoing process in identifying, evaluating and managing significant risks faced by the Group; that the process has been in place up to the date of this statement; that this process is reviewed by the Board and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.

Risk Management Committee is in place to identify key risks facing the Group and to formulate appropriate measures to address those risks. The Risk Management Committee comprises the Executive Chairman and senior management team and is supported by a sub-committee comprising operational managers of major departments. During the year, all major risks that have an impact on the Group such as market, economic, legislative and financial risks, have been identified, prioritised and monitored closely on an on-going basis. The risk assessment process includes areas of protection of livestock against adverse climatic conditions, increase in raw material costs and diseases as well as recruitment and retention of employees and impairment of receivables.

The internal audit function reports directly to the Audit Committee (“AC”). The internal audit function reviews critical business processes and identifies internal control gaps, assesses the effectiveness and adequacy of the existing state of internal control and recommends possible improvements to the internal control process. The results of audits and recommendations for improvement were tabled at the AC meetings for discussion and assessment. Key and significant issues were reported to the Board by the Chairman of the AC for further actions and continuous monitoring by management.

## INTERNAL CONTROL

Internal audit plays a critical role in the objective assessment of the Group’s business processes by providing the AC with reasonable independent assurance on the effectiveness and integrity of the Group’s system of risk management and internal control. The key elements of the Group’s internal control system are described below: -

- **Organisation Structure**

The Group has in place an organisation structure with key responsibilities clearly defined for the Board, Committees of the Board and executive management of the Group’s operating units.

- **Standard Operation Policies**

Standard operating policies and procedures that document how transactions are captured and recorded where internal controls are applied exist for all Group’s major subsidiaries.





## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONTINUED)

### INTERNAL CONTROL (CONT'D)

- **Board Approval**

All major decisions require the final approval of the Board and are only made after appropriate in-depth analysis. The Board receives regular and comprehensive information in relation to all businesses within the Group.

- **Monthly Executive Committee Meeting**

Monthly Executive Committee meetings are held and are attended by all Executive Directors and senior management to discuss the Group's operational matters.

- **Detailed Budgeting Process**

Detailed annual budgets are prepared by the finance department and approved by the Management. The monitoring of actual performance against what is budgeted is performed on a timely basis. When major variances are observed, further investigation was performed, and follow-up management actions are taken where necessary.

### REVIEW BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of Bursa Securities MMLR, the external auditors have conducted a limited assurance review on this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their limited assurance engagement was performed in accordance with ISAE3000 (Revised), Assurance Engagement other than Audits or Review of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 and Guidance for Auditors on the Review of Directors' Statement on Internal Control.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate. AAPG3 does not require the external auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control system.

### CONCLUSION

The Board is of the view that the system of risk management and internal control in place throughout the Group for the year under review, and up to the date of approval of this Statement, is sound and effective, providing reasonable assurance that the structure and operation of controls are appropriate for the Group's operations.

Implementation measures are continuously taken to strengthen the system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

## ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements the following additional information are provided:

### AUDIT/ NON-AUDIT FEE

The amount of audit and non-audit fees incurred by Lay Hong Berhad ("Lay Hong" or "the Company") and its subsidiaries for the financial year ended 31 March 2024 ("FYE 2024") was as follows:

	Group RM	Company RM
Statutory Audit fees	388,000	100,000
Non-audit fees	14,300	14,300

### MATERIAL CONTRACTS

To the best of the Board's knowledge, there were no material contracts entered into by the Company and/or its subsidiaries with any of the major Shareholders nor Directors in office as at 31 March 2024 except as disclose in the notes to the financial statements.

### EMPLOYEES' SHARE SCHEME ("ESS")

The Company's shareholders have approved the ESS at an Extraordinary General Meeting held on 28 September 2022. The ESS was implemented on 4 October 2022 to grant share options to eligible Directors and employees of the Company.

On 30 January 2024, the Company had made the first offer of 73,260,000 new ESS options pursuant to the ESS to the eligible employees and Directors at the exercise price of RM0.27. Total number of ESS options granted, exercised and outstanding under the ESS is set out in the table below:

Description	Number of Options (Since the Effective Date to 31 March 2024)	
	Grand Total	Directors / Senior Management
(a) Granted	73,260,000	31,800,000
(b) Exercised	(4,446,300)	(1,048,200)
(c) Lapsed	(7,863,200)	0
(d) Outstanding	60,950,500	30,751,800

Pursuant to the By-Laws of the ESS of Lay Hong Berhad ("Lay Hong"), no allocation of more than 80% of the maximum shares will be made in aggregate to the Directors and/or senior management of Lay Hong Group who are the selected persons; and no allocation of more than 10% of the maximum shares will be made to any selected person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of Lay Hong (excluding treasury shares, if any).



## ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

### EMPLOYEES' SHARE SCHEME ("ESS") (CONT'D)

During the financial year and since commencement of the ESS, the actual percentage granted to the Directors and senior management is stated as follows:

Name of Directors / Senior Management	Actual Percentage Granted
Dato' Yap Hoong Chai	9.83%
Dato' Yeap Weng Hong	8.74%
Dato' Yap Chor How	8.74%
Mr. Ng Kim Tian	8.74%
Mr. Yap Chor Wen	4.10%
Madam Bong Kim Fui	0.95%
Mr. Wong Yen Tien	0.95%
Mr. Ong Yong Thye	0.68%
Mr. Kuan Yik Vern	0.68%
<b>Total</b>	<b>43.41%</b>

The breakdown of the ESS options granted and exercised by Directors and senior management under the ESS during the FYE 2024:

Name of Directors / Senior Management	Balance as at 30.1.2024	Exercised	Lapsed	Balance as at 31.03.2024
Dato' Yap Hoong Chai	7,200,000	–	–	7,200,000
Dato' Yeap Weng Hong	6,400,000	–	–	6,400,000
Dato' Yap Chor How	6,400,000	–	–	6,400,000
Mr. Ng Kim Tian	6,400,000	–	–	6,400,000
Mr. Yap Chor Wen	3,000,000	–	–	3,000,000
Madam Bong Kim Fui	700,000	–	–	700,000
Mr. Wong Yen Tien	700,000	(700,000)	–	–
Mr. Ong Yong Thye	500,000	(200,000)	–	300,000
Mr Kuan Yik Vern	500,000	(148,200)	–	351,800
<b>Total</b>	<b>31,800,000</b>	<b>(1,048,200)</b>	<b>–</b>	<b>30,751,800</b>

### UTILISATION OF PROCEEDS

On 30 January 2024, the Company had made the first offer of 73,260,000 new ESS options pursuant to the ESS to the eligible employees and Directors at the exercise price of RM0.27. As at 24 June 2024, 14,847,470 ESS options had been exercised and raised a gross proceeds of RM4,008,816.90.

Status of utilisation of proceeds derived from the exercise of ESS options as follows: -

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000
Interest-bearing deposits with financial institutions or short-term money market instruments	4,008,816.90	4,008,816.90	–

# STATEMENT OF DIRECTORS' RESPONSIBILITY

in Relation to the Financial Statements

This statement is prepared as required by the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required by the Companies Act 2016 (**"the Act"**) to prepare financial statements for each financial year so as to give a true and fair view of the financial position of the Group and of the Company and the results and cash flows of the Group and of the Company as at end of the financial year.

During the preparation of the financial statements for the financial year ended 31 March 2024, the directors have ensured that:

- the Group and the Company have adopted appropriate accounting policies and are consistently applied;
- judgements and estimates that are prudent and reasonable have been used;
- all applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia have been complied with;
- the accounting and other records required by the Act are properly kept and disclosed with reasonable accuracy at any time, the financial position of the Group and of the Company which enable them to ensure the financial statements comply with the Act; and
- the financial statements have been prepared on the going concern basis.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities and material misstatements, as described more fully in the corporate governance section of this report. Such system, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2024.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are that of integrated livestock farming and investment holding. The principal activities and details of the subsidiary companies are disclosed in Note 7 to the financial statements.

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

## RESULTS

	Group RM	Company RM
Profit for the year	90,079,950	22,728,527
Attributable to :-		
Owners of the company	90,253,342	–
Non-controlling interests	(173,392)	–
	90,079,950	–

## DIVIDENDS

The dividends paid by the Company in respect of the financial year ended 31 March 2024 were as follows:

	RM
First single tier interim exempt dividend of 0.3 sen per ordinary share, paid on 16 November 2023	2,220,957

The dividend paid by the Company in respect of the financial year ending 31 March 2025 were as follows :

Second single tier interim exempt dividend of 0.3 sen per ordinary share, paid on 21 June 2024	2,258,543
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The Board of Directors recommend a final single tier dividend of 0.5 sen per share amounting to RM2.25 million, based on the number of outstanding shares in issue at the end of the year ended 31 March 2024. The proposed final single tier dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

The financial statements for the current year do not reflect the second interim dividend and the proposed final dividend. Such dividends will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 March 2025.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.





## DIRECTORS' REPORT (CONTINUED)

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up share capital from RM173,633,316 to RM175,322,910 by way of issuance of 4,446,300 new ordinary shares pursuant to options exercised under the Employees' Share Scheme ("ESS") at exercise price of RM0.27 per ordinary share for cash.

The new ordinary shares issued ranked pari passu in all aspects with the existing ordinary shares in issue.

There were no debentures issued during the financial year.

### EMPLOYEES' SHARE SCHEME

The ESS was approved by the shareholders at the Extraordinary General Meeting held on 28 September 2022 and came into effect on 4 October 2022. The ESS shall be in force for a period of 5 years.

The details of ESS is set out in Note 17 to the financial statements.

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

Date of offer	Exercise price	As at 1.4.23	Number of options over ordinary shares			As at 31.3.24
			Granted and accepted	(Exercised)	(Lapsed)	
30.01.24	RM0.27	–	73,260,000	(4,446,300)	(7,863,200)	60,950,500

### INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the year for any person who is or has been the directors, officers or auditors of the Group and of the Company.

### DIRECTORS

The Directors of the Company who served during the year until the date of this report are:

Dato' Yap Hoong Chai  
 Dato' Yeap Weng Hong  
 Dato' Yap Chor How  
 Ng Kim Tian  
 Tan Chee Hau  
 Wong Soo Thiam  
 Tham Wei Mei  
 Yeap Fock Hoong  
 Gan Lian Peng (Resigned on 13 June 2023)  
 Tadaaki Ito (Retired on 27 September 2023)  
 Yasuhito Igarashi (Ceased on 27 September 2023)  
 (Alternate Director for Tadaaki Ito)

The name of the Director of the subsidiary companies (excluding Directors who are also the Directors of the Company) who served during the year and until the date of this report is:

Yip Kim Hoong



## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS' INTEREST

The shareholdings in the Company of those who were directors as at the end of the year, as recorded in the Register of Directors' Shareholdings kept by the Company are as follows:-

Holding Company Lay Hong Berhad	Number of Ordinary Shares			Balance as at 31.3.24
	Balance as at 1.4.23	Acquired	(Disposed)	
Dato' Yap Hoong Chai				
- direct	56,896,700	-	-	56,896,700
- indirect *	227,797,660	1,000,000	(7,773,000)	221,024,660
Dato' Yeap Weng Hong	8,812,000	-	(500,000)	8,312,000
Yeap Fock Hoong	4,910,000	-	-	4,910,000
Dato' Yap Chor How	383,700	-	-	383,700

\* Deemed interested by virtue of the shares held by his direct family members and Innofarm Sdn Bhd.

Dato' Yap Hoong Chai, Dato' Yeap Weng Hong and Yeap Fock Hoong by virtue of their interests in shares in the Company are also deemed interested in shares of all the holding company's subsidiaries to the extent that the holding company has an interest.

Other than as stated above, none of the Directors in office at the end of financial year had any interest in shares in the Company or its related corporations during the financial year.

The Options granted and exercised by Directors under the ESS during the year ended 31 March 2024 are as follows:

	Balance as at 1.4.23	Granted	Exercised	Lapsed	Balance as at 31.03.24
Dato' Yap Hoong Chai	-	7,200,000	-	-	7,200,000
Dato' Yeap Weng Hong	-	6,400,000	-	-	6,400,000
Dato' Yap Chor How	-	6,400,000	-	-	6,400,000
Ng Kim Tian	-	6,400,000	-	-	6,400,000

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT  
(CONTINUED)**OTHER STATUTORY INFORMATION**

- a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-
- i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts;
  - ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- b) At the date of this report, the Directors are not aware of any circumstances which would render :-
- i) the amount written off for bad debts or the amount of the allowance for impairment of receivables in the Group and the Company inadequate to any substantial extent;
  - ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e) As at the date of this report there does not exist :-
- i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- f) In the opinion of the Directors :-
- i) no contingent liability or other liabilities has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## DIRECTORS' REPORT (CONTINUED)

### AUDITORS

The total amount of fee paid to or receivable by the Auditors, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 March 2024 amounted to RM300,231 and RM80,000 respectively.

The auditors, Messrs Tai, Yapp & Co PLT have indicated their willingness to continue in office.

Signed on behalf of the board in accordance with a resolution of the directors.

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**DATO' YAP HOONG CHAI**

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**DATO' YEAP WENG HONG**

Klang, Selangor  
Dated: 24 June 2024



# INDEPENDENT AUDITORS' REPORT

to the members of Lay Hong Berhad (Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Lay Hong Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of accounting policies, as set out on pages 80 to 159.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Key Audit Matters (Cont'd)

Key audit matter	How the matter was addressed in our audit
<p><b>Fair Value of Biological Assets</b></p> <p>The value of biological assets of the Group was approximately RM103,238,150. The fair value of biological assets was subject to the livestock's life to maturity, mortality rate, production quantity, selling prices, variable costs and profit margins. In addition, there was a high volume of livestock held at year end.</p> <p>In determining the fair value of the biological assets, the Group uses the discounted cash flow model. We have identified the valuation of biological assets as a key audit matter due to the significant judgement and estimates that were used in determining the fair value of the layers and breeders, in particular the estimated selling price and expected quantity of the table eggs and day-old-chick to be produced, the cost of feeds for the remaining life and residual values of the layers and breeders.</p>	<p><b>Our audit procedures over this area included:</b></p> <p>We gained an understanding of the process in determining the fair value of biological assets including the test of internal controls in respect of the recording of purchase of layers and breeders, feeds and other consumables;</p> <p>We assessed the appropriateness of the key assumptions such as feed costs, projected selling prices and mortality rates used by the management in the valuation model by comparing to the historical data and other collaborative evidence available;</p> <p>We also compared actual expenses and selling prices against assumptions to assess the accuracy of management's estimates;</p> <p>We tested the capitalised cost as part of the valuation method which includes starter cost (Day-old-chick), cost of feed consumed and cost of other consumables;</p> <p>We tested the amortisation of layers and breeders in accordance with the Group's policy;</p> <p>We assessed the reasonableness of discount rate used to reflect the time value of money;</p> <p>We evaluated the adequacy and appropriateness of the disclosures including the disclosure of key assumption in the valuation methodology and estimation made by the management.</p> <p>Based on the above procedures performed, we noted no significant exceptions.</p>
<p><b>Impairment on Receivables</b></p> <p>This assessment on the recoverability of receivables is significant to our audit as it involves significant management judgement and estimation uncertainty in analysing historical payment pattern and customers' creditworthiness and is also affected by expected future market and economic condition.</p>	<p><b>Our audit procedures over this area included:</b></p> <p>We reviewed the Group policy in relation to the impairment on receivables calculation;</p> <p>We reviewed the ageing analysis of receivables and tested the reliability thereof;</p> <p>We also assessed the recoverability of receivables that were past due but not impaired with reference to the past historical repayment trends, customers credit profiles, past year end cash receipts and discussion with management to enquire the status of attempts by management to collect the amounts outstanding;</p> <p>We assessed the reasonableness and adequacy of the allowance for impairment recognised.</p> <p>Based on the above procedures performed, we noted no significant exception.</p>



## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors are as disclosed in Note 7 to the financial statements.

### OTHER MATTERS

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

**TAI, YAPP & CO PLT**  
LLP0023255-LCA & AF 0205  
CHARTERED ACCOUNTANTS

**DOO GHIN SZE**  
02468/10/2024 J  
Chartered Accountant

Date: 24 June 2024  
Kuala Lumpur



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	626,540,084	589,224,430
Investment properties	6	6,270,000	6,270,000
Other investments	9	532,666	583,735
Intangible assets	10	4,734,957	5,810,490
		638,077,707	601,888,655
<b>Current assets</b>			
Biological assets	11	103,238,150	76,004,863
Inventories	12	129,043,185	122,727,535
Trade receivables	13	85,642,240	85,147,899
Other receivables	14	37,879,969	31,370,799
Current tax assets		–	3,947,742
Deposits with a licensed bank	15	579,102	564,977
Cash and bank balances	16	59,108,442	30,547,686
		415,491,088	350,311,501
<b>TOTAL ASSETS</b>		1,053,568,795	952,200,156
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	175,322,910	173,633,316
Reserves	18	384,082,617	289,282,823
		559,405,527	462,916,139
Non-controlling interests		11,580,609	11,754,001
<b>Total equity</b>		570,986,136	474,670,140
<b>Non-current liabilities</b>			
Borrowings	19	57,654,713	65,868,764
Deferred tax liabilities	20	85,991,952	77,312,162
		143,646,665	143,180,926
<b>Current liabilities</b>			
Trade payables	21	85,060,155	84,971,788
Other payables	22	71,887,093	73,067,271
Amount due to an associate	8	–	3,633,691
Current tax liabilities		8,209,582	–
Borrowings	19	173,779,164	172,676,340
		338,935,994	334,349,090
<b>Total liabilities</b>		482,582,659	477,530,016
<b>TOTAL EQUITY AND LIABILITIES</b>		1,053,568,795	952,200,156

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

# STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	203,867,341	199,614,788
Investment in subsidiaries	7	120,416,464	90,748,615
Investment in an associate	8	–	14,700,000
Other investments	9	454,558	505,405
Amount due from subsidiaries	7	42,594,100	61,755,693
		367,332,463	367,324,501
<b>Current assets</b>			
Biological assets	11	61,142,151	52,956,273
Inventories	12	12,726,006	16,928,653
Trade receivables	13	23,551,117	22,516,973
Other receivables	14	28,109,495	22,817,488
Amount due from subsidiaries	7	103,644,499	73,355,775
Amount due from an associate	8	–	1,118
Current tax assets		–	2,145,688
Cash and bank balances	16	26,814,765	11,359,237
		255,988,033	202,081,205
<b>TOTAL ASSETS</b>		<b>623,320,496</b>	<b>569,405,706</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	175,322,910	173,633,316
Reserves	18	173,377,639	146,165,514
<b>Total equity</b>		<b>348,700,549</b>	<b>319,798,830</b>
<b>Non current liabilities</b>			
Borrowings	19	24,032,416	29,480,049
Deferred tax liabilities	20	37,858,208	33,484,044
		61,890,624	62,964,093
<b>Current liabilities</b>			
Trade payables	21	40,951,490	45,645,801
Other payables	22	33,133,775	31,000,441
Amount due to subsidiaries	7	15,903,827	4,112,749
Borrowings	19	116,811,268	105,883,792
Current tax liabilities		5,928,963	–
		212,729,323	186,642,783
<b>Total liabilities</b>		<b>274,619,947</b>	<b>249,606,876</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>623,320,496</b>	<b>569,405,706</b>

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



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2024

	Note	2024 RM	2023 RM
Revenue	23	1,042,794,342	1,069,817,570
Cost of sales		(779,572,994)	(897,207,169)
Gross profit		263,221,348	172,610,401
Other income		20,878,498	20,230,699
Selling and distribution expenses		(104,568,762)	(104,940,299)
Administrative expenses		(47,809,856)	(36,249,439)
Profit from operations		131,721,228	51,651,362
Finance costs		(12,269,005)	(11,437,612)
<b>Profit before taxation</b>		<b>119,452,223</b>	<b>40,213,750</b>
Taxation	25	(29,372,273)	(11,972,214)
<b>Profit for the year</b>		<b>90,079,950</b>	<b>28,241,536</b>
<b>Other comprehensive expense:</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(802,098)	(639,912)
<b>Other comprehensive expense, net of tax</b>		<b>(802,098)</b>	<b>(639,912)</b>
<b>Total comprehensive income</b>		<b>89,277,852</b>	<b>27,601,624</b>
<b>Profit for the year attributable to :</b>			
Owners of the Company		90,253,342	28,106,645
Non-controlling interests		(173,392)	134,891
		90,079,950	28,241,536
<b>Total comprehensive income attributable to :</b>			
Owners of the Company		89,451,244	27,466,733
Non-controlling interests		(173,392)	134,891
		89,277,852	27,601,624
<b>Earning per share:</b>			
- Basic	26	12.18	3.80
- Diluted	26	11.20	*

\* No diluted earnings per share is presented as there are no potential dilutive ordinary shares as at the end of the financial year.

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

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 March 2024

	Note	2024 RM	2023 RM
Revenue	23	491,352,744	495,030,948
Cost of sales		(383,108,863)	(456,227,744)
Gross profit		108,243,881	38,803,204
Other income		5,906,205	23,352,274
Selling and distribution expenses		(33,431,289)	(34,707,905)
Administrative expenses		(37,167,756)	(14,376,436)
Profit from operations		43,551,041	13,071,137
Finance costs		(6,641,615)	(5,993,657)
<b>Profit before taxation</b>		36,909,426	7,077,480
Taxation	25	(14,180,899)	892,189
<b>Profit for the year</b>		22,728,527	7,969,669
Other comprehensive income		–	–
<b>Total comprehensive income</b>		22,728,527	7,969,669
Dividends per share	27	0.003	0.003

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2024

	Attributable to owners of the Company						
	Non-distributable			Distributable			
	Share Capital RM	Revaluation Reserves RM	Foreign Currency Translation Reserve RM	Share Option Reserves RM	Retained Profits RM	Non-Controlling Interests RM	Total Equity RM
Balance at 1 April 2022	173,633,316	127,759,790	1,326,487	-	134,950,770	11,619,110	449,289,473
Transfer to distributable reserve on realisation of revaluation reserve	-	(3,068,512)	-	-	3,068,512	-	-
Profit for the year	-	-	-	-	28,106,645	134,891	28,241,536
Foreign currency transactions	-	-	(639,912)	-	-	-	(639,912)
Total comprehensive (expense)/income	-	(3,068,512)	(639,912)	-	31,175,157	134,891	27,601,624
Dividends	-	-	-	-	(2,220,957)	-	(2,220,957)
Total transactions with equity owner	-	-	-	-	(2,220,957)	-	(2,220,957)
Balance at 31 March 2023	173,633,316	124,691,278	686,575	-	163,904,970	11,754,001	474,670,140

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to owners of the Company						
	Non-distributable			Distributable			
	Share Capital RM	Revaluation Reserves RM	Foreign Currency Translation Reserve RM	Share Option Reserves RM	Retained Profits RM	Total RM	Non-Controlling Interests RM
Note							
Balance at 1 April 2023	173,633,316	124,691,278	686,575	-	163,904,970	462,916,139	11,754,001
Transfer to distributable reserve on realisation of revaluation reserve	-	(3,045,293)	-	-	3,045,293	-	-
Profit for the year	-	-	-	-	90,253,342	90,253,342	(173,392)
Foreign currency transactions	-	-	(802,098)	-	-	(802,098)	-
Total comprehensive (expense)/income	-	(3,045,293)	(802,098)	-	93,298,635	89,451,244	(173,392)
Share based payment transaction	-	-	-	8,058,600	-	8,058,600	-
- on granting	-	-	-	(864,952)	864,952	-	-
- on lapsing	-	-	-	-	-	-	-
Issue of shares pursuant to ESS exercised	1,689,594	-	-	(489,093)	-	1,200,501	-
Dividends	-	-	-	-	(2,220,957)	(2,220,957)	-
Total transactions with equity owner	1,689,594	-	-	6,704,555	(1,356,005)	7,038,144	-
Balance at 31 March 2024	175,322,910	121,645,985	(115,523)	6,704,555	255,847,600	559,405,527	11,580,609
							570,986,136

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



# STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2024

	Note	Share Capital RM	Non-distributable Revaluation Reserve RM	Share option reserve RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1 April 2022		173,633,316	45,390,395		95,026,407	314,050,118
Transfer to distributable reserve on realisation of revaluation reserve		-	(905,782)	-	905,782	-
Profit for the year		-	-	-	7,969,669	7,969,669
Total comprehensive (expense)/income		-	(905,782)	-	8,875,451	7,969,669
Dividends	27	-	-	-	(2,220,957)	(2,220,957)
Total transactions with equity owner		-	-	-	(2,220,957)	(2,220,957)
Balance at 31 March 2023		173,633,316	44,484,613	-	101,680,901	319,798,830
Transfer to distributable reserve on realisation of revaluation reserve		-	(904,282)	-	904,282	-
Profit for the year		-	-	-	22,728,527	22,728,527
Total comprehensive (expense)/income		-	(904,282)	-	23,632,809	22,728,527
Share-based payment transactions - on granting - on lapsing		-	-	8,058,600 (864,952)	-	8,058,600 (864,952)
Issuance of ordinary shares pursuant to ESS exercised		1,689,594	-	(489,093)	-	1,200,501
Dividends	27	-	-	-	(2,220,957)	(2,220,957)
Total transactions with equity owner		1,689,594	-	6,704,555	(2,220,957)	6,173,192
Balance at 31 March 2024		175,322,910	43,580,331	6,704,555	123,092,753	348,700,549

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2024

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		119,452,223	40,213,750
Adjustments for :-			
De-recognised of right-of use assets		16,723	–
Amortisation of intangible assets		1,078,565	1,077,303
Depreciation of property, plant and equipment		47,729,625	46,148,331
Dividend income		(2,790)	(6,599)
Gain on disposal of property, plant and equipment		(211,847)	(486,666)
Property, plant and equipment written off		1,635,489	1,039,892
Impairment of inventories written back		(104,915)	–
Impairment loss of inventories		–	10,568
Interest expense		12,269,005	11,437,612
Interest income		(492,093)	(127,048)
Share option granted under ESS		8,058,600	–
Net unrealised (gain)/loss on foreign exchange		(376,736)	(1,560,437)
Net impairment losses on trade receivables		(962,085)	(5,466,257)
Bad debts written off		264,617	31,532
Changes in fair value on quoted investment		51,069	241,780
Changes in fair value on biological assets		(20,841,983)	1,862,483
Derecognised of negative goodwill		(4,289,771)	–
Operating profit before working capital changes		163,273,696	94,416,244
Inventories and Biological assets		(11,458,957)	(13,597,778)
Receivables		1,857,915	16,123,990
Payables		(6,687,008)	8,267,057
Associate		(3,633,691)	(1,083,538)
Cash generated from operations		143,351,955	104,125,975
Tax paid		(8,535,124)	(6,657,762)
Net cash generated from operating activities		134,816,831	97,468,213
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(a)	(41,292,925)	(23,255,164)
Addition to intangible assets		–	(14,788)
Proceeds from disposal of property, plant and equipment		2,425,979	1,353,469
Interest received		492,093	127,048
Dividend received		2,790	6,599
Acquisition of subsidiary company	7(b)	(331,721)	–
Net cash used in investing activities		(38,703,784)	(21,782,836)



# CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(12,269,005)	(11,437,612)
Net payment of bankers' acceptance		(2,599,000)	(7,634,000)
Net payment of revolving credit facilities		(25,097,585)	(15,500,000)
Repayment of term loans		(15,030,082)	(7,206,756)
Repayment of lease liabilities		(15,891,450)	(16,992,745)
Dividends paid to owners of the parent		(2,220,957)	(2,220,957)
Increase in deposits pledged to licensed banks		(14,125)	(9,717)
Proceeds from issuance of ordinary shares pursuant to ESS		1,200,501	—
Net cash used in financing activities		(71,921,703)	(61,001,787)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		24,191,344	14,683,590
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		(875,979)	128,560
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		28,697,872	13,885,722
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	(b)	52,013,237	28,697,872

## Note :

### (a) Purchase of Property, Plant and Equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM62,303,284 (2023 : RM35,409,424) of which RM21,010,359 (2023 : RM12,154,260) was acquired by means of lease arrangements. Cash payment of RM41,292,925 (2023 : RM23,255,164) were made to purchase property, plant and equipment.

	2024 RM	2023 RM
<b>(b) Cash and cash equivalents</b>		
Cash and bank balances	59,108,442	30,547,686
Deposits with a licensed bank	579,102	564,977
Bank overdrafts (Note 19)	(7,095,205)	(1,849,814)
	52,592,339	29,262,849
Deposits pledged to a licensed bank	(579,102)	(564,977)
	52,013,237	28,697,872

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

# STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2024

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		36,909,426	7,077,480
Adjustments for :-			
Depreciation of property, plant and equipment		14,659,754	14,170,667
Bad debts written off		1,300,944	4,529,509
Dividend income		(2,790)	(15,022,613)
Net gain on disposal of property, plant and equipment		(151,848)	(323,792)
Fair value adjustment on remeasurement of investment		14,700,000	–
Interest expense		6,641,615	5,993,657
Interest income		(1,300,177)	(854,187)
Net unrealised foreign exchange gain		(165,199)	(161,658)
Reversal impairment losses on trade receivables		(756,067)	(4,615,881)
Changes in fair value on biological assets		(6,768,163)	3,865,540
Changes in fair value on quoted investment		50,847	242,250
Share option granted under ESS		4,070,000	–
Impairment loss on trade receivables		28,603	482,796
Operating profit before working capital changes		69,216,945	15,383,768
Inventories and biological assets		2,784,932	(1,688,071)
Receivables		(6,899,399)	8,202,441
Payables		(2,628,784)	7,145,798
Subsidiaries		(8,932,453)	9,068,563
Associates		1,118	14,688
Cash generated from operations		53,542,359	38,127,187
Interest paid		(122,765)	(24,617)
Tax paid		(1,732,084)	(1,470,416)
Net cash provided by operating activities		51,687,510	36,632,154
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(a)	(9,566,063)	(7,634,831)
Proceeds from disposal of property, plant and equipment		299,600	396,301
Acquisition of additional shares in subsidiary companies		(26,544,201)	–
Interest received		304,531	108,096
Dividend received		2,790	15,022,613
Net cash (used in)/provided by investing activities		(35,503,343)	7,892,179

STATEMENT OF CASH FLOWS  
(CONTINUED)

	Note	2024 RM	2023 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(6,518,850)	(5,969,040)
Net drawdown of bankers' acceptance		8,432,000	5,377,000
Net repayment of revolving credit facilities		–	(15,500,000)
Repayment of term loans		(10,190,975)	(1,988,802)
Repayment of lease liabilities		(5,481,426)	(5,056,384)
Repayment from subsidiaries companies		10,592,046	(15,788,492)
Proceed from issuance of ordinary shares pursuant to ESS		1,200,501	–
Dividends paid to owners of the parent		(2,220,957)	(2,220,957)
Net cash used in financing activities		(4,187,661)	(41,146,675)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		11,996,506	3,377,658
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		232,774	167,646
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		10,812,372	7,267,068
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	(b)	23,041,652	10,812,372

**Note :****(a) Property, Plant and Equipment**

During the year, the Company acquired property, plant and equipment with an aggregate cost of RM19,060,059 (2023 : RM9,626,656) of which RM9,493,996 (2023 : RM1,991,825) was acquired by means of lease arrangements. Cash payment of RM9,566,063 (2023 : RM7,634,831) was made to acquire the property, plant and equipment.

	2023 RM	2022 RM
<b>(b) Cash and cash equivalents</b>		
Cash and bank balances	26,814,765	11,359,237
Bank overdrafts (Note 19)	(3,773,113)	(546,865)
	23,041,652	10,812,372

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

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2024

## 1. GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. It is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company's registered office is at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

The Company's principal place of business is at No. 2, Level 10-12, Wisma Lay Hong, Jalan Empayar Off Persiaran Sultan Ibrahim/KU1, 41150 Klang, Selangor.

The financial statements were authorised for issue by the Board of Directors on 24 June 2024.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 Statement of Compliance

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

The Group and the Company had adopted the following new MFRSs, Amendments/Improvements to MFRS and IC Interpretations mandatory for the current financial year :-

Description	Effective for annual periods beginning on or after
MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 17 - Insurance Contracts	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies	1 January 2023
Amendment to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendment to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to MFRS 17, Insurance Contracts : Initial application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 112, Income Taxes - International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of the above accounting standards and interpretations did not have significant impact on the financial statements of the Company.



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### 2.1 Statement of Compliance (Cont'd)

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 7 Financial Instruments – Disclosures and MFRS 107 Statement of Cash Flows : Supplier Finance Arrangements	1 January 2024
Amendment to MFRS 121 The Effects of Changes in Foreign Exchange Rates : Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the year of initial application.

### 2.2 Material Accounting Policy Information

The Group and the Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 April 2023. The amendments provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

### 2.3 Basis of Measurement

The financial statements of the Group and of the Company have been prepared under the historical cost convention and other measurement basis otherwise indicated in the respective accounting policies as set out below.

### 2.4 Functional and Presentation Currency

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (RM), which is the Company's functional currency.



NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)****2.5 Use of Estimates and Judgments**

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the respective notes.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below :

**(a) Useful lives of Property, Plant and Equipment**

The Group and the Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal evaluation and experience with similar assets.

It is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

**(b) Loss Allowances of Financial assets**

The Group and the Company recognise impairment losses for loans and receivables using the expected credit loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Group's and the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Group's and the Company's financial position and results.

**(c) Measurement of Income Taxes**

Significant judgement is required in determining the Group's and the Company's provision for current tax because the ultimate tax liability for the Group and the Company is uncertain. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimates of the tax payable. Such differences may impact the current tax in the period when such determination is made. The Group and the Company will adjust for the differences as over or under estimated of current tax in the period in which the differences arise.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)****2.5 Use of Estimates and Judgments (Cont'd)****(d) Fair Value of Biological Assets**

The Group's and the Company's consumable biological assets are measured at fair value less costs to sell. In measuring fair value of layer breeders, management uses a discounted cash flow model using inputs or assumptions of life maturity, productivity quantity, mortality rate, selling prices of poultry, variable costs and profit margins. The probability-weighted cash flows are discounted using an appropriate discount rate that reflects the time value of money and the risk. As prices in agriculture business are volatile, the actual cash flows and discount rate may not coincide with the estimates made and this may have a significant effect on the Group's and the Company's financial position and results.

The key assumptions used in the discounted cash flow and the sensitivity analysis are disclosed in Note 11 to the financial statements.

**(e) Allowance for Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

**(f) Impairment of Goodwill**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

**(g) Estimation Uncertainty in Relation to Leases**

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

The Group and the Company also applied the assumptions in determining the incremental borrowing rates for its leases, the Group and the Company make adjustment by reference to the weighted average cost of capital, taking into consideration the lease term and leased assets. The Group and the Company also consider changes in the financial condition since the last offered rates from financial institutions.

**Significant management judgement**

The following are significant management judgements in applying the accounting policies of the Group that have the significant effect on the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

#### 2.5 Use of Estimates and Judgments (Cont'd)

##### Significant management judgement (Cont'd)

##### Research and development costs

The Group capitalises costs for development projects. Initial capitalisation of costs is based on management's judgement that ingredient usages, processes, and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

To distinguish any research-type project phase from the development phase, it is the Group's accounting policy to also require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The forecast is incorporated into the Group's overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data.

The Group's management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

### 3. ACCOUNTING POLICIES

#### 3.1 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### 3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expense and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combination are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are recognised as expenses in the periods in which the costs are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.2 Basis of Consolidation (Cont'd)**

In business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of the non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

***Transactions with non-controlling interest***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

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

***Loss of control***

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

**3.3 Subsidiary Companies**

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

Control exists when the Group is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.3 Subsidiary Companies (Cont'd)**

The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

**3.4 Associates**

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

**3.5 Intangible Assets****(a) Goodwill**

Goodwill arises on business combination is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.5 Intangible Assets (Cont'd)****(a) Goodwill (Cont'd)**

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

**(b) Research and development cost**

All research costs are recognised in profit or loss as incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Development costs, considered to have finite useful lives, are stated at costs less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years. The development costs are amortised when the future economic benefits start flowing into the Company. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at reporting date. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b).

**3.6 Property, Plant and Equipment**

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

Subsequent to initial recognition, property, plant and equipment are stated at cost/valuation less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b).

Freehold land and leasehold are stated at revalued amount, which are the fair value at the date of the revaluation less any accumulated impairment losses. Buildings are stated at revalued amount, which are the fair value at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professional qualified valuers.

Revaluations on freehold land, leasehold land and buildings are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land, leasehold land and buildings at the reporting date. Revaluations on land and buildings are performed once in every five years or earlier.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. ACCOUNTING POLICIES (CONT'D)

#### 3.6 Property, Plant and Equipment (Cont'd)

Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained profits.

Freehold land is not depreciated as it has an infinite life. Leasehold land is depreciated over its lease terms. Capital work-in-progress are also not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

	%
Buildings	2 – 10
Infrastructure	3 – 5
Plant and machinery	3 – 20
Motor vehicles	20
Office equipment	10 – 20
Furniture and fittings	5 – 20
Renovations	10

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss and the unutilised portions of the revaluation surplus on that item is taken directly to retained profits.

#### 3.7 Investment Property

##### (a) Investment property carried at fair value

Investment properties are property which is owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. When the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use.



NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.7 Investment Property (Cont'd)****(a) Investment property carried at fair value (Cont'd)**

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

**(b) Reclassification to/from investment property**

When an item of property, plant and equipment transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained profits; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

**3.8 Income Taxes****(a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. ACCOUNTING POLICIES (CONT'D)

#### 3.8 Income Taxes (Cont'd)

##### (b) Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 3.9 Provision

A provision is recognised if, as a result of a past event, the Group and the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### 3.10 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank, deposits with a licensed bank and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of its short-term commitments. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits pledged, if any.

#### 3.11 Biological assets

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

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

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.11 Biological assets (Cont'd)*****Breeders***

The fair value of parent breeding stock is determined using a discounted cash flow model based on the expected number of day-old-chick produced, the projected selling price of the day-old-chick, salvage value for old birds, mortality rates of the breeding stock, feed costs and consumption rates, farm house and equipment rentals, and other estimated farming cost that will be incurred throughout the remaining life of the breeder.

***Commercial Layers***

The fair value of pullets and layers is determined using a discounted cash flow model based on the mortality ratios of the layers, expected number of table eggs produced by each layer, the expected projected selling price of the table eggs and salvage value for old hen and after allowing for feed costs, contributory asset charges for the land and farm houses owned by the Group and other estimated farming cost that will be incurred throughout the remaining life of the layer.

**3.12 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. The cost of finished goods and work in progress comprises of raw materials, direct labour, other direct costs, including import duties and other taxes and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. It excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts.

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

**3.13 Leases****(a) Definition of Lease**

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. ACCOUNTING POLICIES (CONT'D)

#### 3.13 Leases (Cont'd)

##### (b) Recognition and initial measurement

###### (i) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that are cannot be readily determined, the Group's and the Company's incremental borrowing rate.

The Group and the Company have elected not to recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and some leases of low-value assets [e.g. printing and photostat machines]. The Group and the Company recognise the lease payments associated with these as an expense on a straight-line basis over the lease term.

###### (ii) As a lessor

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

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

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

##### (c) Subsequent measurement

###### (i) As a lessee

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

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.13 Leases (Cont'd)****(c) Subsequent measurement (cont'd)****(i) As a lessee (Cont'd)**

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group and the Company have applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group and the Company are reasonably certain to exercise such options impact the lease term, which significantly affects the amount of the right-of-use asset has been reduced to zero.

**(ii) As a lessor**

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term.

**3.14 Impairment****(a) Financial assets**

The Group and the Company applies the expected credit loss (ECL) model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12 months ECL is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime ECL is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group and the Company have availed the exception to the 12 months ECL requirement to recognise only lifetime ECL.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. For operational simplifications: (a) a 12 months ECL is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and (b) credit risk is considered to have increased significantly if payments are more than 30 days past due if no other borrower specific information is available without undue cost or effort.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. ACCOUNTING POLICIES (CONT'D)

#### 3.14 Impairment (Cont'd)

##### (a) Financial assets (Cont'd)

The ECL is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions. The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidences of impairment), the lifetime ECL is determined individually. For trade receivables, the lifetime ECL is determined at the end of each reporting period using a provision matrix.

For each significant receivable, individual lifetime ECL is assessed separately. For significant receivables which are not impaired and for all other receivables, they are grouped into risk classes by type of customers and business, and the ageing of the receivables. Collective lifetime ECLs are determined using past loss rates, which are updated for effects of current conditions and reasonable forecasts for future economic conditions. In the event that the economic or industry outlook is expected to worsen, the past loss rates are increased to reflect the worsening economic conditions.

##### (b) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax asset) are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash generating unit or a group of cash generating units that are expected to benefits from the synergies of the combination.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.15 Employee Benefit Costs****(a) Short term benefits**

Wages, salaries, bonuses, social security contributions, paid annual leave and paid sick leave are recognised as an expense in the period in which the associated services are rendered by employees of the Group.

Short term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leaves are recognised when the absences occur.

**(b) Defined contribution plan**

The Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to the defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

**(c) Employee share option plans**

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with the employees is measured by reference to the fair value of the options or shares at the date on which the options or shares are granted or vested. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of the reporting period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital when new shares are issued.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertakings, with a corresponding credit to the employee share option reserve.

**3.16 Foreign Currency Transactions****(a) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. ACCOUNTING POLICIES (CONT'D)

#### 3.16 Foreign Currency Transactions (Cont'd)

##### (b) Foreign currency translations

In preparing the financial statements of the individual entities, transactions in foreign currencies are measured in the respective functional currencies at the exchange rates approximating those ruling at the transaction dates. At each financial year end, monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the financial year end. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, or on translating monetary items at the financial year end are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

#### 3.17 Revenue Recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Revenue and other income of the Group and of the Company are recognised as follows :-

##### (a) Sales of goods

Revenue from sales of goods are recognised at a point in time when controls of the products has been transferred, being when the customer accepts the delivery of the goods.

##### (b) Interest income

Interest income is recognised in profit or loss on accrual basis using the effective interest method.

##### (c) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

##### (d) Management fee

Revenue from management services is recognised over time on an accrual basis when the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.17 Revenue Recognition (Cont'd)****(e) Serviced rendered**

Revenue from service rendered is recognised on an accrual basis when the services are rendered.

**(f) Dividend income**

Dividend income is recognised when the shareholder's right to receive payment is established.

**3.18 Financial Instruments****(a) Initial Recognition and Measurement**

The Group and the Company recognise a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, an entity in the Group or the Company becomes a party to the contractual provisions of the instrument.

If a contract is a host financial liability or a non-financial host contract that contains an embedded derivative, the Group or the Company assesses whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Group or the Company becomes a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Group or the Company does not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial liability out of the fair value through profit or loss category. Embedded derivatives in host financial assets are not separated.

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities (including intra-group payables) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

**(b) Derecognition of Financial Instruments**

For derecognition purposes, the Group or the Company first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group or the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Group or the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. ACCOUNTING POLICIES (CONT'D)

#### 3.18 Financial Instruments (Cont'd)

##### (c) Regular-Way Purchases and Sales of Financial Assets

The Group or the Company recognises a regular-way purchase or sale of a quoted equity or debt instrument at trade date, which is the date the purchase or sale transaction is entered into, rather than recognising the forward contract between trade date and settlement date.

##### (d) Financial Assets

For the purpose of subsequent measurement, the Group or the Company classifies financial assets into three measurement categories, namely: (i) financial assets at amortised cost; (ii) financial assets at fair value through other comprehensive income and (iii) financial assets at fair value through profit or loss. The classification is based on the Group's and the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets, as follows :

- (i) Financial Assets at Amortised Cost (AC) – A financial asset is measured at amortised cost if : (a) it is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.
- (ii) Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) – A financial asset is measured at FVOCI if : (a) it is held within the Group's and the Company's business objective to hold the asset both to collect contractual cash flows and selling the financial assets, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.
- (iii) Financial Assets at Fair Value through Profit or Loss (FVPL) – A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.14(a).

##### (e) Financial Liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for :

- (i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.
- (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
- (iii) Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts issued, and commitments to provide loans at a below-market interest rate given by the Group or the Company, if any, are measured at the higher of : (a) the amount of impairment loss determined and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 Revenue from Contracts with Customers.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.18 Financial Instruments (Cont'd)****(f) Fair Value Measurement**

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 3.22.

**(g) Recognition of Gains and Losses**

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets mandatorily measured at FVOCI, interest income (calculated using the effective interest rate method), impairment losses, and exchange gains or losses are recognised in profit or loss. All other gains or losses are recognised in other comprehensive income and retained in a fair value reserve. On derecognition of the financial assets, the cumulative gain or loss recognised in OCI is reclassified to profit or loss as a reclassification adjustment.

For financial assets and financial liabilities carried at amortised cost, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

**3.19 Government Grant**

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

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

**3.20 Borrowing Costs**

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until when substantially all the activities necessary to prepare the assets for its intended use or sale are complete, after which such expense is charge to the profit or loss.

**3.21 Contingencies**

A contingent liability or asset is a possible obligation or benefit that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. ACCOUNTING POLICIES (CONT'D)

#### 3.22 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows :-

Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2 : Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 : Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### 3.23 Segment Information

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

#### 3.24 Related Parties

A party is related to an entity (referred to as the "reporting entity") if :-

- (a) A person or a close member of that person's family is related to a reporting entity if that person :-
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**3. ACCOUNTING POLICIES (CONT'D)****3.24 Related Parties (Cont'd)**

- (b) An entity is related to a reporting entity if any of the following conditions applies :-
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
  - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with entity.

**4. PRINCIPAL ACTIVITIES**

The principal activities of the Company are that of integrated livestock farming and investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the year.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
<b>Cost/Valuation</b>										
At 1 April 2022	98,522,569	42,981,097	268,892,755	18,613,417	377,569,103	36,254,213	43,996,973	14,005,328	15,783,349	916,618,804
Additions	-	1,089,559	1,981,834	166,791	5,122,622	2,809,888	1,808,362	15,060,953	7,369,415	35,409,424
Disposals	-	-	-	-	(682,956)	(2,689,744)	(69,631)	-	-	(3,442,331)
Written off	-	-	-	-	(477,011)	-	(1,648,837)	(45,501)	-	(2,171,349)
Completion of lease	-	(202,943)	-	-	-	-	-	-	(2,037,109)	(2,240,052)
Reclassification	-	-	6,629,658	1,041,887	4,677,650	-	-	(12,349,195)	-	-
Remeasurement/	-	-	-	-	-	-	-	-	-	-
Derecognised	-	-	-	-	-	-	-	-	(1,289,884)	(1,289,884)
Exchange differences	72,469	-	131,429	-	171,570	10,791	17,054	-	-	403,313
At 31 March 2023	98,595,038	43,867,713	277,635,676	19,822,095	386,380,978	36,385,148	44,103,921	16,671,585	19,825,771	943,287,925
Acquisition of subsidiary	-	11,537,828	24,570,706	-	15,623,202	-	1,143,485	-	-	52,875,221
Additions	-	1,058,475	2,764,340	370,752	10,908,295	4,314,471	944,456	38,522,948	3,419,547	62,303,284
Disposals	-	-	-	-	(3,376,407)	(1,190,090)	(84,220)	-	(216,787)	(4,867,504)
Written off	-	-	(164,032)	-	(163,234)	-	(4,858,982)	(322,850)	-	(5,509,098)
Completion of lease	-	(206,929)	-	-	-	-	-	-	(1,261,277)	(1,468,206)
Termination of lease	-	-	-	-	-	-	-	-	(484,979)	(484,979)
Reclassifications	2,291,574	-	10,472,150	4,508,439	18,259,606	-	-	(35,531,769)	-	-
Exchange differences	11,591	-	20,740	-	41,388	1,726	2,729	(1,389)	-	76,785
At 31 March 2024	100,898,203	56,257,087	315,299,580	24,701,286	427,673,828	39,511,255	41,251,389	19,338,525	21,282,275	1,046,213,428



NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In- Progress RM	Leasehold building RM	Total RM
<b>Accumulated depreciation</b>										
At 1 April 2022	-	1,356,593	37,388,301	5,427,213	210,795,284	30,951,689	22,302,618	-	4,245,927	312,467,625
Charge for the financial year	-	1,319,099	10,530,393	920,159	23,122,908	2,531,101	3,037,022	-	4,687,649	46,148,331
Disposals	-	-	-	-	(459,472)	(2,689,743)	(6,091)	-	-	(3,155,306)
Written off	-	-	-	-	(408,557)	-	(722,900)	-	-	(1,131,457)
Completion of lease	-	(202,943)	-	-	-	-	-	-	(2,037,109)	(2,240,052)
Remeasurement/ Derecognised	-	-	-	-	-	-	-	-	(440,661)	(440,661)
Exchange differences	-	-	22,303	-	56,553	8,978	13,605	-	-	101,439
<b>At 31 March 2023</b>	-	2,472,749	47,940,997	6,347,372	233,106,716	30,802,025	24,624,254	-	6,455,806	351,749,919
Acquisition of subsidiary	-	839,779	4,503,679	-	6,607,906	-	612,568	-	-	12,563,932
Charge for the financial year	-	1,386,895	11,157,072	1,092,030	23,381,307	2,532,937	2,868,997	-	5,310,387	47,729,625
Disposals	-	-	-	-	(1,354,469)	(1,042,337)	(39,779)	-	(216,787)	(2,653,372)
Written off	-	-	(70,386)	-	(133,392)	-	(3,669,831)	-	-	(3,873,609)
Completion of lease	-	(206,929)	-	-	-	-	-	-	(1,261,277)	(1,468,206)
Termination of lease	-	-	-	-	-	-	-	-	(468,256)	(468,256)
Exchange differences	-	-	2,592	-	13,231	1,358	2,136	-	-	19,317
<b>At 31 March 2024</b>	-	4,492,494	63,533,954	7,439,402	261,621,299	32,293,983	24,398,345	-	9,819,873	403,599,350

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
<b>Accumulated impairment losses</b>										
At 1 April 2022	38,157	-	1,565,621	-	677,369	-	-	-	-	2,281,147
Exchange differences	-	-	32,429	-	-	-	-	-	-	32,429
At 31 March 2023	38,157	-	1,598,050	-	677,369	-	-	-	-	2,313,576
Acquisition of subsidiary	-	-	9,888,914	-	3,586,607	-	279,711	-	-	13,755,232
Exchange differences	-	-	5,186	-	-	-	-	-	-	5,186
At 31 March 2024	38,157	-	11,492,150	-	4,263,976	-	279,711	-	-	16,073,994
<b>Net carrying amount</b>										
Cost	4,661,574	13,156,301	53,378,313	17,261,884	161,788,553	7,217,272	16,573,333	19,338,525	11,462,402	304,838,157
Valuation	96,198,472	38,608,292	186,895,163	-	-	-	-	-	-	321,701,927
31 March 2024	100,860,046	51,764,593	240,273,476	17,261,884	161,788,553	7,217,272	16,573,333	19,338,525	11,462,402	626,540,084
<b>Net carrying amount</b>										
Cost	2,370,000	2,047,689	32,510,775	13,474,723	152,596,893	5,583,123	19,479,667	16,671,585	13,369,965	258,104,420
Valuation	96,186,881	39,347,275	195,585,854	-	-	-	-	-	-	331,120,010
31 March 2023	98,556,881	41,394,964	228,096,629	13,474,723	152,596,893	5,583,123	19,479,667	16,671,585	13,369,965	589,224,430

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In- Progress RM	Leasehold building RM	Total RM
<b>Cost/Valuation</b>										
At 1 April 2022	40,952,000	6,130,000	77,465,528	4,611,671	138,262,425	16,960,935	7,990,660	7,652,468	1,436,071	301,461,758
Additions	-	-	134,620	-	492,737	1,611,441	248,571	7,139,287	-	9,626,656
Disposals	-	-	-	-	(236,250)	(1,569,217)	(1,840)	-	-	(1,807,307)
Written off	-	-	-	-	-	-	-	(45,501)	-	(45,501)
Reclassifications	-	-	511,334	25,559	732,389	-	-	(1,269,282)	-	-
At 31 March 2023	40,952,000	6,130,000	78,111,482	4,637,230	139,251,301	17,003,159	8,237,391	13,476,972	1,436,071	309,235,606
Additions	-	-	6,170	70,959	110,630	2,829,400	64,505	15,801,817	176,578	19,060,059
Disposals	-	-	-	-	-	(864,442)	(2,760)	-	-	(867,202)
Reclassifications	-	-	4,320,857	3,965,267	9,399,165	-	-	(17,685,289)	-	-
At 31 March 2024	40,952,000	6,130,000	82,438,509	8,673,456	148,761,096	18,968,117	8,299,136	11,593,500	1,612,649	327,428,463
<b>Accumulated depreciation</b>										
At 1 April 2022	-	103,813	3,986,754	1,593,340	69,927,905	13,961,089	6,806,996	-	173,184	96,553,081
Charge for the financial year	-	103,813	3,292,339	221,294	8,434,921	1,529,760	244,263	-	344,277	14,170,667
Disposals	-	-	-	-	(209,426)	(1,569,217)	(1,656)	-	-	(1,780,299)
At 31 March 2023	-	207,626	7,279,093	1,814,634	78,153,400	13,921,632	7,049,603	-	517,461	108,943,449

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
<b>Accumulated depreciation</b>										
Balance B/F	-	207,626	7,279,093	1,814,634	78,153,400	13,921,632	7,049,603	-	517,461	108,943,449
Charge for the financial year	-	103,813	3,365,488	357,661	8,775,538	1,464,613	215,992	-	376,649	14,659,754
Disposals	-	-	-	-	-	(716,690)	(2,760)	-	-	(719,450)
At 31 March 2024	-	311,439	10,644,581	2,172,295	86,928,938	14,669,555	7,262,835	-	894,110	122,883,753
<b>Accumulated impairment losses</b>										
At 1 April 2023/ 31 March 2024	-	-	-	-	677,369	-	-	-	-	677,369
<b>Net carrying amount</b>										
Cost	1,450,000	-	8,066,583	6,501,161	61,154,789	4,298,562	1,036,301	11,593,500	718,539	94,819,435
Valuation	39,502,000	5,818,561	63,727,345	-	-	-	-	-	-	109,047,906
31 March 2024	40,952,000	5,818,561	71,793,928	6,501,161	61,154,789	4,298,562	1,036,301	11,593,500	718,539	203,867,341
Cost	1,450,000	-	3,974,055	2,822,596	60,420,532	3,081,527	1,187,788	13,476,972	918,610	87,332,080
Valuation	39,502,000	5,922,374	66,858,334	-	-	-	-	-	-	112,282,708
31 March 2023	40,952,000	5,922,374	70,832,389	2,822,596	60,420,532	3,081,527	1,187,788	13,476,972	918,610	199,614,788

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Leased assets

The carrying amount of the right-of-use assets included in the property, plant and equipment are as disclosed below:-

Group	Leasehold Land RM	Building RM	Plant and Machinery RM	Motor Vehicles RM	Capital Work-in-Progress RM	Leasehold Buildings RM	Total RM
At 1 April 2022	41,624,504	1,983,406	38,838,459	4,616,047	214,810	11,537,424	98,814,650
Additions	1,089,558	-	2,294,951	2,201,069	-	6,847,965	12,433,543
Charge for the financial year	(1,319,099)	(80,856)	(4,659,171)	(2,063,574)	-	(4,645,424)	(12,768,124)
Reclassification	-	-	(1,184,495)	197,260	-	-	(987,235)
Written off	-	-	(54,823)	-	-	-	(54,823)
Asset fully settled during the year	-	-	(2,888,856)	(5)	-	-	(4,724,361)
Remeasurement/Derecognised	-	(1,835,500)	-	-	-	(849,223)	(849,223)
Exchange differences	-	-	-	610	-	-	610
At 31 March 2023	41,394,963	67,050	32,346,065	4,951,407	214,810	12,890,742	91,865,037
Acquisition of subsidiary	-	-	113,054	-	-	-	113,054
Additions	1,058,475	-	13,628,930	3,719,927	-	3,898,772	22,306,104
Charge for the financial year	(1,338,415)	-	(3,525,949)	(2,192,203)	-	(5,316,830)	(12,373,397)
Reclassification	-	-	(6,758,161)	(13,304)	-	-	(6,771,465)
Disposal	-	-	(319,962)	(130,092)	-	-	(450,054)
Asset fully settled during the year	202	-	(935,813)	(4)	-	-	(935,615)
Termination of lease	-	-	-	-	-	(16,723)	(16,723)
At 31 March 2024	41,115,225	67,050	34,548,164	6,335,731	214,810	11,455,961	93,736,941

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold Land RM	Building RM	Plant and Machinery RM	Motor Vehicles RM	Capital Work-in-Progress RM	Leasehold Buildings RM	Total RM
At 1 April 2022	6,026,187	-	13,254,332	2,967,477	-	1,262,887	23,510,883
Additions	-	-	636,350	1,220,621	-	-	1,856,971
Charge for the financial year	(103,813)	-	(1,734,248)	(1,346,576)	-	(344,277)	(3,528,914)
Reclassification	-	-	(239,220)	239,220	-	-	-
At 31 March 2023	5,922,374	-	11,917,214	3,080,742	-	918,610	21,838,940
Additions	-	-	7,819,521	2,816,977	-	176,578	10,813,076
Charge for the financial year	(103,814)	-	(1,366,528)	(1,461,966)	-	(376,649)	(3,308,957)
Disposal	-	-	-	(147,752)	-	-	(147,752)
At 31 March 2024	5,818,560	-	18,370,207	4,288,001	-	718,539	29,195,307

The Group and Company entered into non-cancellable operating lease agreements for the use of land and building. The Group's and Company's leases are for a period of 1 to 999 years (2023 : 1 to 999 years), with no purchase option.

The Group and the Company has leased its plant and machinery and motor vehicles under the lease arrangement. The leases are secured by the leased assets.

### Security

Freehold land, leasehold land and buildings of the Group and of the Company with net carrying amount of RM74,600,835 (2023: RM192,671,088) and RM1,450,000 (2023: RM51,936,799) have been pledged to financial institutions as security for borrowings as disclosed in Note 19.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### Valuation

The land and buildings of the Group and of the Company were revalued on 1 March 2021 (2023 : 1 March 2021) by Irhamy& Co., an independent professional valuer. Fair value is determined by reference to open market values on an existing use basis.

The fair value of land and buildings (at valuation) of the Group and of the Company are categorised as follows:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>				
<b>2024</b>				
Leasehold land	–	40,855,000	–	40,855,000
Freehold land	–	96,263,123	–	96,263,123
Buildings	–	212,253,933	–	212,253,933
	–	349,372,056	–	349,372,056
<b>2023</b>				
Leasehold land	–	40,855,000	–	40,855,000
Freehold land	–	96,263,123	–	96,263,123
Buildings	–	212,253,933	–	212,253,933
	–	349,372,056	–	349,372,056
<b>Company</b>				
<b>2024</b>				
Leasehold land	–	6,130,000	–	6,130,000
Freehold land	–	39,502,000	–	39,502,000
Buildings	–	73,144,830	–	73,144,830
	–	118,776,830	–	118,776,830
<b>2023</b>				
Leasehold land	–	6,130,000	–	6,130,000
Freehold land	–	39,502,000	–	39,502,000
Buildings	–	73,144,830	–	73,144,830
	–	118,776,830	–	118,776,830

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.
- (ii) Level 2 fair value of freehold land, leasehold land and buildings (at valuation) was determined by external and independent property valuers, having appropriate recognised professional qualifications and recent transactions in the location and category of property being valued. The property valuers provide the fair value of the freehold land, leasehold land and buildings (at valuation) of the Group and of the Company on every five years.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### Valuation (Cont'd)

Had the revalued freehold land, leasehold land and buildings been carried historical cost less accumulated depreciation, the carrying amount of each class of land and buildings would be as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Leasehold land	15,370,626	13,868,133	1,498,283	1,524,866
Freehold land	36,789,327	37,901,557	11,454,424	11,454,424
Buildings	109,610,993	112,592,749	35,111,463	36,821,269
	161,770,946	164,362,439	48,064,170	49,800,559

The following are the amount recognised in profit or loss :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Depreciation for:				
- property, plant and equipment	35,356,228	33,455,604	11,350,797	10,641,753
- right-of-use assets	12,373,397	12,692,727	3,308,957	3,528,914
Gain on disposal of property, plant and equipment	(211,847)	(486,666)	(151,848)	(323,792)
Property, plant and equipment written off	1,635,489	1,039,892	–	45,501

### 6. INVESTMENT PROPERTIES

#### Investment properties measured at fair value:

	Group	
	2024 RM	2023 RM
At 1 April/31 March	6,270,000	6,270,000

Investment properties comprise commercial properties that are leased to third parties.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM	2023 RM
Rental income	88,000	253,714
Direct operating expenses	(42,251)	(108,539)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. INVESTMENT PROPERTIES (CONT'D)

#### Security

All investment properties have been pledged to financial institutions as security for borrowings as disclosed in Note 19.

#### Fair value measurement

The leasehold buildings at fair value of RM4,110,000 (2023: RM4,110,000) were revalued on 1 March 2021 (2023: 1 March 2021) by Irhamy & Co, an independent professional valuer. Fair value is determined by reference to open market values on an existing use basis.

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.
- (ii) Level 2 fair value of leasehold buildings (at valuation) was determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair value of the leasehold buildings (at valuation) of the Group on every five years basis.

The fair value of investment properties are categorised as follow:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
Leasehold buildings	–	4,110,000	2,160,000	6,270,000
<b>2023</b>				
Leasehold buildings	–	4,110,000	2,160,000	6,270,000

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Comparison method of valuation which entails comparing the property with similar properties that were sold recently and those that are currently offered for sale in the vicinity.	Recent transactions of similar properties at or near reporting date with similar land usage, land size and location.	The estimated fair value would increase/(decrease) if recent transactions of similar properties at or near reporting date with similar land usage, land size and location were higher/(lower).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. SUBSIDIARY COMPANIES

#### A. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
<u>Unquoted shares in Malaysia, at cost</u>		
At 1 April	90,748,615	90,748,615
Add : Transfer from investment in associate	1	–
Addition	26,544,200	–
Equity contributions in subsidiaries in respect of ESS	3,123,648	–
At 31 March	120,416,464	90,748,615

(a) Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Effective interest		Principal activities
		2024 %	2023 %	
Hing Hong Sdn Berhad	Malaysia	100	100	Layer parent stock breeder farm & hatchery
Innofarm (Klang) Sdn Bhd	Malaysia	70	70	Layer farm
Evergreen Organic Fertilisers Sdn Berhad	Malaysia	100	100	Organic fertiliser production
Innobrid Sdn Bhd	Malaysia	100	100	Broiler farm
G-Mart Borneo Retail Sdn Bhd	Malaysia	70	70	Retail supermarkets
Eminent Farm Sdn Bhd	Malaysia	100	100	Broiler parent stock breeder farm, hatchery and broiler farm
Lay Hong Liquid Egg Sdn Bhd	Malaysia	100	100	Eggs processing
Lay Hong Food Corporation Sdn Bhd	Malaysia	100	100	Processing and manufacturing of chicken related products
JT Trading Sdn Bhd	Malaysia	100	100	Retail store
Takaso SC (Thailand) Limited **	Thailand	100	100	Food manufacturing



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. SUBSIDIARY COMPANIES (CONT'D)

#### A. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### (a) Details of the subsidiaries are as follows:- (Cont'd)

Name of Company	Place of Incorporation	Effective interest		Principal activities
		2024 %	2023 %	
Gmart SG Sdn Bhd	Malaysia	100	100	Fresh Mart
Sri Tawau Farming Sdn Bhd ("STF")	Malaysia	100	100	Investment holding
Nutriplus Food Manufacturing Sdn Bhd (Formerly known as NHF Manufacturing (Malaysia) Sdn Bhd) #	Malaysia	100	–	Food manufacturing
<b><i>Subsidiaries held by STF</i></b>				
STF Agriculture Sdn Bhd	Malaysia	100	100	Integrated livestock farming and chicken processing
ST Food Sdn Bhd	Malaysia	100	100	Retail store

\*\* The financial statements not audited by Tai, Yapp & Co PLT.

# The financial statements for financial year ended 31 March 2023 is not audited by Tai, Yapp & Co PLT.

##### (b) Acquisition of Nutriplus Food Manufacturing Sdn Bhd [formerly known as NHF Manufacturing (Malaysia) Sdn. Bhd.]

On 22 November 2023, the Company acquired additional 51% of the ordinary shares in Nutriplus Food Manufacturing Sdn Bhd (formerly known as NHF Manufacturing (Malaysia) Sdn Bhd) ("NFM") for a total cash consideration of RM1. Hence, NFM become a 100% own subsidiary on the even date.

2024  
RM

Fair value of consideration transferred :  
Cash consideration

1

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. SUBSIDIARY COMPANIES (CONT'D)

#### A. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### (b) Acquisition of Nutriplus Food Manufacturing Sdn Bhd [formerly known as NHF Manufacturing (Malaysia) Sdn. Bhd.] (Cont'd)

The fair value of the identifiable assets acquired and liabilities assumed and the effect on cash flows arising from the acquisition are as follows:

	Group 2024 RM
<b>Assets</b>	
Property, plant and equipment	26,443,003
Trade and other receivables	7,900,312
Inventories	1,143,082
<b>Liabilities</b>	
Bank overdraft	(331,720)
Trade and other payables	(5,595,197)
Borrowings	(25,269,708)
<b>Total identifiable net assets acquired</b>	4,289,772
Less: Negative goodwill arising from acquisition	(4,289,771)
<b>Purchase consideration</b>	1

The effect of acquisition on cash flows :

	Group 2024 RM
Consideration paid in cash	(1)
Cash and cash equivalents of a subsidiary acquired	(331,720)
<b>Net cash outflows on acquisition</b>	(331,721)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. SUBSIDIARY COMPANIES (CONT'D)

#### A. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### (b) Acquisition of Nutriplus Food Manufacturing Sdn Bhd [formerly known as NHF Manufacturing (Malaysia) Sdn. Bhd.] (Cont'd)

The effects of the acquisition of subsidiary company on the financial results of the Group during the financial year with effect from 22 November 2023 to 31 March 2024 are as follows :-

	Group 2024 RM
Revenue	16,477,147
Cost of sales	(10,725,850)
Gross profit	5,751,297
Other income	150,929
Administrative expenses	147,174
Profit from operation	6,049,400
Finance cost	(801)
Profit for the year	6,048,599

##### (c) Non-controlling interest in subsidiaries

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

Name of Company	Equity interest		Profit allocated to NCI		Carrying amount of NCI	
	2024 %	2023 %	2024 RM	2023 RM	2024 RM	2023 RM
<b>Group</b>						
G-Mart Borneo Retail Sdn Bhd	30	30	187,469	32,396	9,334,462	9,521,934

Summary of financial information of the subsidiaries that have material NCI before intra group elimination are as follows:-

Name of Company	G-Mart Borneo Retail Sdn Bhd	
	2024 RM	2023 RM

#### Summarised Statement of Financial Position

Total assets	69,759,528	70,568,175
Total liabilities	(37,635,955)	(38,828,405)
Net assets	32,123,573	31,739,770

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. SUBSIDIARY COMPANIES (CONT'D)

#### A. INVESTMENT IN SUBSIDIARIES (CONT'D)

##### (c) Non-controlling interest in subsidiaries (Cont'd)

Summary of financial information of the subsidiaries that have material NCI before intra group elimination are as follows:- (Cont'd)

Name of Company	G-Mart Borneo Retail Sdn Bhd	
	2024 RM	2023 RM

##### Summarised Statement of Profit or Loss and Other Comprehensive Income

Revenue	138,541,571	152,092,674
(Loss)/Profit before taxation	(251,500)	404,216
Taxation	(373,398)	(296,229)
(Loss)/Profit for the year	(624,898)	107,987
Total comprehensive (expense)/income	(624,898)	107,987

##### Summarised Statement of Cash Flows

Cash generated from operating activities	3,782,209	3,320,823
Net cash used in investing activities	(348,121)	3,776,337
Cash used in financing activities	(2,353,465)	(2,389,877)
Net increase in cash and cash equivalents	1,080,624	4,685,619

#### B. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2024 RM	2023 RM
<b>Non-current asset</b>		
Non-trade	42,594,100	61,755,693
<b>Current assets</b>		
Trade	58,343,135	51,680,421
Non-trade	45,301,364	21,675,354
	103,644,499	73,355,775
<b>Current liabilities</b>		
Trade	(1,288,010)	(3,557,749)
Non-trade	(14,615,817)	(555,000)
	(15,903,827)	(4,112,749)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7. SUBSIDIARY COMPANIES (CONT'D)

#### B. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

The trade balance due from/(to) subsidiaries are subject to normal trade credit terms.

The non-trade balance due from subsidiaries are unsecured, interest free advances and receivables on demand except for non-trade balance amounted to RM14,000,000 (2023 : RM14,000,000) which is subject to 4.07% (2023: 4%) interest per annum.

The amount due from subsidiaries amounting to RM8,500,000 (2023: RM8,500,000) are subordinated to financial institutions as securities for credit facilities granted to certain subsidiary companies as disclosed in Note 19.

### 8. ASSOCIATED COMPANY

#### A. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unquoted shares in Malaysia, at cost				
At 1 April	14,700,000	14,700,000	14,700,000	14,700,000
Remeasurement adjustment	(14,700,000)	–	(14,700,000)	–
Addition	1	–	1	–
Transfer to investment in subsidiary	(1)	–	(1)	–
At 31 March	–	14,700,000	–	14,700,000
Share of post-acquisition results				
At 1 April	(14,700,000)	(14,700,000)	–	–
Deemed disposal	14,700,000	–	–	–
At 31 March	–	(14,700,000)	–	–
Carrying amount	–	–	–	14,700,000

Details of the associate is as follow: -

Name of Company	Place of Incorporation	Effective interest		Principal activity
		2024 %	2023 %	
Nutriplus Food Manufacturing Sdn Bhd (Formerly known as NHF Manufacturing (Malaysia) Sdn Bhd) #	Malaysia	–	49	Food manufacturing

# The financial statements for the financial year ended 31 March 2023 is not audited by Tai, Yapp & Co PLT.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8. ASSOCIATED COMPANY (CONT'D)

#### A. INVESTMENT IN AN ASSOCIATE (CONT'D)

Summary of financial information of the associate is as follows:-

	2024 RM	2023 RM
<u>Financial position</u>		
Non-current assets	–	27,832,317
Current assets	–	10,088,951
Non-current liabilities	–	(20,033,047)
Current liabilities	–	(39,682,946)
Net assets	–	(21,794,725)
<u>Summary of financial performance</u>		
Net loss/total comprehensive loss for the year	–	(6,971,262)
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets	*	*

\* The reconciliation was not presented as the losses had exceeded the cost of investment.

#### Contingent liabilities and capital commitments

The associate has no material contingent liabilities or capital commitments as at the reporting date.

#### Deemed disposal of an associate during the financial year

On 22 November 2023, the Company successfully acquired 51% of the ordinary shares in Nutriplus Food Manufacturing Sdn Bhd (formerly known as NHF Manufacturing (Malaysia) Sdn Bhd) ("NFM") for a total consideration of RM1. NFM become a 100% own subsidiary on the completion date.

The details of the deemed disposal are as follows :

	RM
Cost of investment	1
Share of post-acquisition results	14,700,000
Share of interest in an associate	14,700,001
Fair value of interest held	(1)
Fair value loss on deemed disposal	14,700,000



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8. ASSOCIATED COMPANY (CONT'D)

#### B. AMOUNT DUE FROM/(TO) AN ASSOCIATE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade	–	(3,633,691)	–	–
Non-trade	–	–	–	1,118
	–	(3,633,691)	–	1,118

#### Group and Company

The trade balance due to associate is subject to normal trade credit terms.

The non-trade balance due from associate is unsecured, interest free advances and repayable on demand.

### 9. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<i>Quoted shares, in Malaysia</i>				
At 1 April	390,735	632,515	387,405	629,655
Changes in fair value	(51,069)	(241,780)	(50,847)	(242,250)
At 31 March	339,666	390,735	336,558	387,405
<i>Club membership at cost, in Malaysia</i>	193,000	193,000	118,000	118,000
	532,666	583,735	454,558	505,405

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. INTANGIBLE ASSETS

	Goodwill RM	Development Costs RM	Total RM
<b>Group</b>			
<b>Cost</b>			
At 1 April 2022	3,263,603	5,522,780	8,786,383
Additions	–	14,788	14,788
Exchange differences	–	598	598
At 31 March 2023	3,263,603	5,538,166	8,801,769
Exchange differences	–	2,912	2,912
At 31 March 2024	3,263,603	5,541,078	8,804,681
<b>Accumulated amortisation</b>			
At 1 April 2022	322,800	1,590,904	1,913,704
Charge during the year	–	1,077,303	1,077,303
Exchange differences	–	272	272
At 31 March 2023	322,800	2,668,479	2,991,279
Charge during the year	–	1,078,565	1,078,565
Exchange differences	–	(120)	(120)
At 31 March 2024	322,800	3,746,924	4,069,724
<b>Net carrying amount</b>			
At 31 March 2024	2,940,803	1,794,154	4,734,957
At 31 March 2023	2,940,803	2,869,687	5,810,490

The goodwill on consolidation is attributable to the acquisition of Sri Tawau Farming Sdn Bhd, Innobrid Sdn Bhd, G-Mart Borneo Retail Sdn Bhd, ST Food Sdn Bhd and JT Trading Sdn Bhd.

Development costs consists of raw material cost, packing cost and manpower cost for development of new products.

#### Impairment tests for cash-generating unit ("CGU") containing goodwill

The Group considers each subsidiary as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiaries.

The recoverable amount of a CGU is determined based on value-in-use calculation. The value-in-use calculation is determined using cash flows projections, based on financial budgets approved by management, discounted at rates which reflect risks relating to the relevant CGU.

The discount rate applied to the cash flow projections is based on the weighted average cost of capital of the Group, throughout the calculation period. The growth rate used is consistent with the projected growth rate of the CGU's industry and economy.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11. BIOLOGICAL ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>At fair value less cost to sell:</u>				
Layer breeders	5,547,886	1,836,438	–	3,250
Broiler breeders	9,236,397	6,080,114	–	–
Commercial layers	88,453,867	68,088,311	61,142,151	52,953,023
	103,238,150	76,004,863	61,142,151	52,956,273

Biological assets movement can be analysed as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 April	76,004,863	75,683,676	52,956,273	56,297,446
Increase due to purchase	21,029,939	15,781,578	8,203,443	7,023,174
Biological asset losses	(7,521,858)	(8,254,004)	(2,496,207)	(2,593,559)
Changes in fair value	20,841,983	(1,862,483)	6,768,163	(3,865,540)
Depopulation	(7,116,777)	(5,343,904)	(4,289,521)	(3,905,248)
At 31 March	103,238,150	76,004,863	61,142,151	52,956,273

In measuring the fair value of biological assets, management estimates and judgements are required, which include the usage of discounted cash flow model, expected number of day-old-chick ("DOC") and table eggs produced, the estimated selling prices, discount rate, mortality rate, feed consumption rate, feed costs and other estimated costs over the remaining life of the breeders and layers.

The Group and the Company have classified their biological assets measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Discounted cash flows: - The valuation method considers the expected quantity and price of DOC and table eggs to be produced over the life of the breeder and layer, taking into account of expected growing cost and the breeder's and layer's mortality rate.	Significant assumptions made in determining the fair value of the layer and breeder as follows: - estimated selling price of the agriculture produce - estimated feed cost	The estimated fair value is sensitive to the estimated selling price of the agriculture produce and the estimated feed cost

#### Sensitivity analysis

If the estimated projected selling prices of the biological assets of the Group and of the Company had been 5% higher/lower than management estimates, the fair value of the biological assets would have increased/decreased by RM13,539,986 and RM9,989,514 (2023 : RM12,409,546 and RM8,673,661) respectively.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12. INVENTORIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>At cost:</u>				
Raw materials	28,449,468	31,057,190	8,686,622	11,833,898
Manufactured and trading inventories	98,678,363	88,652,151	4,039,384	5,094,755
	127,127,831	119,709,341	12,726,006	16,928,653
<u>At net realisable value:</u>				
Manufactured and trading inventories	1,915,354	3,018,194	–	–
<b>Total</b>	<b>129,043,185</b>	<b>122,727,535</b>	<b>12,726,006</b>	<b>16,928,653</b>
<u>At cost:</u>				
Inventories recognised as an expense				
in profit or loss	779,572,994	897,207,169	383,108,863	456,227,744
Impairment loss of inventories	–	10,568	–	–
Impairment loss on inventories write back	(104,915)	–	–	–

### 13. TRADE RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables	86,119,890	86,497,758	23,594,548	23,440,184
Impairment losses	(477,650)	(1,349,859)	(43,431)	(923,211)
	85,642,240	85,147,899	23,551,117	22,516,973

The Group's normal credit term for trade receivables ranges from 45 days to 180 days (2023: 45 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

The movement in the impairment losses on trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 April	1,349,859	6,757,738	923,211	5,056,296
Recognised in profit or loss	208,408	521,502	28,603	482,796
Reversal of impairment	(923,301)	(5,897,849)	(756,067)	(4,615,881)
Bad debts written off	(157,316)	(31,532)	(152,316)	–
<b>At 31 March</b>	<b>477,650</b>	<b>1,349,859</b>	<b>43,431</b>	<b>923,211</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13. TRADE RECEIVABLES (CONT'D)

The foreign currency exposure profile of trade receivables other than functional currencies are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
SGD	3,150,719	3,580,228	–	–

### 14. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	26,722,958	20,720,604	23,453,245	18,379,562
Deposits	7,143,173	8,762,489	2,613,317	4,698,210
Prepayments	4,013,838	3,729,191	2,042,933	1,581,201
	37,879,969	33,212,284	28,109,495	24,658,973
Impairment losses	–	(1,841,485)	–	(1,841,485)
	37,879,969	31,370,799	28,109,495	22,817,488

#### Group and Company

The movement in the impairment losses on other receivables of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 April	1,841,485	1,931,395	1,841,485	1,841,485
Reversal of impairment loss	–	(89,910)	–	–
Bad debt written off	(1,841,485)	–	(1,841,485)	–
At 31 March	–	1,841,485	–	1,841,485

### 15. DEPOSITS WITH A LICENSED BANK

#### Group

The fixed deposits with a licensed bank have been pledged to a licensed bank for banking facilities granted to a subsidiary.

The effective interest rate of the deposits with a licensed bank at the end of the reporting date is 2.50% (2023: 2.50%) per annum. The maturity period of the deposits with a licensed bank at the end of the reporting date is 365 days (2023: 365 days).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16. CASH AND BANK BALANCES

The foreign exposure profile of cash and bank balances other than functional currencies are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
USD	45,124	26,998	–	–
SGD	4,628,921	1,268,667	4,628,921	1,268,667

### 17. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
<b>Issued and fully paid:</b>				
At 1 April	740,319,100	173,633,316	740,319,100	173,633,316
Issuance of shares pursuant to ESS exercised	4,446,300	1,689,594	–	–
At 31 March	744,765,400	175,322,910	740,319,100	173,633,316

All the shares issued have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

During the financial year, the Company increased its issued and paid up share capital from RM173,633,316 to RM175,322,910 by way of issuance of 4,446,300 new ordinary shares pursuant to the options exercised under the Employees' Share Scheme ("ESS") at exercise price of RM0.27 per ordinary share for cash.

The new ordinary shares issued ranked pari passu in all aspects with the existing ordinary shares in issue.

#### Employees' Share Scheme ("ESS")

The ESS was approved by the shareholders at Extraordinary General Meeting ("EGM") held on 28 September 2022 came into effect on 4 October 2022.

The main features of the ESS are as follows:

- a) The ESS is made available to eligible employees and full-time Executive Directors who are confirmed employees of the Company and its subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;
- b) The total number of shares offered under the ESS shall not, in aggregate, exceed 15% of the issued ordinary shares of the Company (excluding treasury shares, if any) at any time during the existence of the ESS;
- c) The option price under the ESS shall be the five-day weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than 10% if deemed appropriate;





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 17. SHARE CAPITAL (CONT'D)

#### Employees' Share Scheme ("ESS")

- d) The maximum number of shares, which may be offered to any eligible employee shall be at the discretion of the ESS Committee after taking into consideration, amongst others, the eligible employee's position, performance and length of service in the Company and its subsidiaries respectively, or such other matters that the ESS Committee may in its discretion deem fit, subject to the following:
- not more than 80% of the shares available under the ESS shall be allocated in aggregate to Executive Directors and senior management of the Company and its subsidiaries; and
  - not more than 10% of the shares available under the ESS shall be allocated to any individual Executive Director or eligible employee who, either singly or collectively through persons connected with that Executive Director or eligible employee, holds 20% or more of the issued ordinary shares of the Company (excluding treasury shares, if any).
- e) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company.

The fair value of services received in return for share options granted was based on the fair value of share options granted, measured using Black-Scholes Model, with the following inputs:

#### Fair value of options and assumptions:

Fair value per option at grant date	RM0.11
The current price of the underlying asset	RM0.29
The expected volatility of share price	43.1%
The life of the option	3 years
The dividend expected on the shares	0.80%
The risk-free interest rate for the life span of the option	3.85%

### 18. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Non-distributable</u>				
Revaluation reserve	121,645,985	124,691,278	43,580,331	44,484,613
Foreign currency translation reserve	(115,523)	686,575	—	—
Share option reserve	6,704,555	—	6,704,555	—
<u>Distributable</u>				
Retained profits	255,847,600	163,904,970	123,092,753	101,680,901
	384,082,617	289,282,823	173,377,639	146,165,514

#### (a) Revaluation reserve

The revaluation reserve represents the surplus arising from the revaluation of the freehold land, leasehold land and buildings, net of deferred tax effect.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 18. RESERVES (CONT'D)

#### (b) Foreign currency translation reserve

Foreign currency reserve comprises exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency, and exchange differences arising from monetary items which form part of the Group's net investment in a foreign operation, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

#### (c) Share options reserve

The share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share options. When options are exercised, the amount from the share options reserve is transferred to share capital. When the share options expire, the amount from the share options reserve is to be transferred to retained profits.

### 19. BORROWINGS

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current</b>					
<u>Secured</u>					
Bank overdrafts		3,322,092	1,302,949	–	–
Bills payable		40,232,000	51,263,000	–	–
Lease liabilities	19.1	14,483,964	13,860,921	5,361,123	4,536,063
Term loans	19.2	12,899,995	15,066,605	8,609,032	10,164,864
		70,938,051	81,493,475	13,970,155	14,700,927
<u>Unsecured</u>					
Bank overdrafts		3,773,113	546,865	3,773,113	546,865
Bills payable		99,068,000	90,636,000	99,068,000	90,636,000
		102,841,113	91,182,865	102,841,113	91,182,865
		173,779,164	172,676,340	116,811,268	105,883,792
<b>Non-current</b>					
<u>Secured</u>					
Lease liabilities	19.1	26,676,759	22,027,338	9,976,648	6,789,138
Term loans	19.2	30,977,954	43,841,426	14,055,768	22,690,911
		57,654,713	65,868,764	24,032,416	29,480,049
<b>Total borrowings</b>					
Bank overdrafts		7,095,205	1,849,814	3,773,113	546,865
Bills payable		139,300,000	141,899,000	99,068,000	90,636,000
Lease liabilities	19.1	41,160,723	35,888,259	15,337,771	11,325,201
Term loans	19.2	43,877,949	58,908,031	22,664,800	32,855,775
		231,433,877	238,545,104	140,843,684	135,363,841



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19. BORROWINGS (CONT'D)

Note	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>19.1 Lease liabilities</b>				
At 1 April	35,888,259	40,726,744	11,325,201	14,389,760
Acquisition of subsidiary	172,123	–	–	–
Additions	21,010,359	12,154,260	9,493,996	1,991,825
Interest expense charge during the year	2,408,553	2,487,153	759,204	708,924
Repayment	(18,318,571)	(19,479,898)	(6,240,630)	(5,765,308)
At 31 March	41,160,723	35,888,259	15,337,771	11,325,201

The following are the amount recognised in profit or loss :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on lease liabilities	2,408,553	2,487,153	759,204	708,924
Expenses relating to short term lease	11,181,767	5,938,673	49,500	255,500
Expenses relating to low value lease	9,036,939	4,362,388	4,897,505	424,581

### 19.2 Term loans

The term loans repayment due is as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	12,899,995	15,066,605	8,609,032	10,164,864
Between one to two years	6,061,077	12,735,776	2,940,943	8,515,143
Between two to five years	15,172,083	16,058,839	7,419,825	7,641,543
After five years	9,744,794	15,046,811	3,695,000	6,534,225
	43,877,949	58,908,031	22,664,800	32,855,775

### Securities

The bank overdrafts, bills payable, revolving credit and term loans are secured by way of:

- (i) Debenture over the current and future asset of the Group;
- (ii) Legal charge over certain freehold land, leasehold land and buildings as disclosed in Note 5;
- (iii) Legal charge over the investment properties as disclosed in Note 6;
- (iv) Deposits with a licensed bank as disclosed in Note 15;
- (v) Amount due from subsidiaries as disclosed in Note 7; and
- (vi) Corporate guarantee by the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19. BORROWINGS (CONT'D)

#### 19.2 Term loans (Cont'd)

##### Weighted average effective interest

The weighted average effective interest rates per annum at the end of the reporting date for the borrowings were as follows :

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Bank overdrafts	7.88	7.58	7.94	7.69
Bills payable	4.51	4.52	4.47	4.44
Lease liabilities	5.50	5.59	4.74	5.59
Term loans	5.89	5.62	5.79	5.52

##### Cash flows reconciliation

Reconciliation of movements of liabilities to cash flows of the Group and of the Company arising from financing activities:

	Bills payable RM	Revolving credit RM	Lease liabilities RM	Term loans RM
<b>Group</b>				
At 1 April 2022	149,533,000	15,500,000	40,726,744	66,114,787
Addition	14,285,000	–	12,154,260	12,800,000
Repayment	(21,919,000)	(15,500,000)	(16,992,745)	(20,006,756)
At 31 March 2023	141,899,000	–	35,888,259	58,908,031
Acquisition of subsidiary	–	25,097,585	172,123	–
Addition	16,020,000	–	21,010,359	–
Repayment	(18,619,000)	(25,097,585)	(15,891,450)	(15,030,082)
Remeasurement/Derecognised	–	–	(18,568)	–
At 31 March 2024	139,300,000	–	41,160,723	43,877,949
<b>Company</b>				
At 1 April 2022	85,259,000	15,500,000	14,389,760	34,844,577
Addition	5,377,000	–	1,991,825	12,800,000
Repayment	–	(15,500,000)	(5,056,384)	(14,788,802)
At 31 March 2023	90,636,000	–	11,325,201	32,855,775
Addition	8,432,000	–	9,493,996	–
Repayment	–	–	(5,481,426)	(10,190,975)
At 31 March 2024	99,068,000	–	15,337,771	22,664,800



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 20. DEFERRED TAX LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 April	77,312,162	70,502,210	33,484,044	34,376,233
Recognised in profit or loss	8,679,790	6,809,952	4,374,164	(892,189)
At 31 March	85,991,952	77,312,162	37,858,208	33,484,044

The components and movements of deferred tax liabilities and assets are as follows :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Accelerated capital allowances	53,255,713	50,817,582	24,970,997	22,911,737
Revaluation reserve	27,773,044	29,134,773	8,595,551	8,881,114
Biological assets	10,540,644	5,538,569	5,974,167	4,349,808
Unutilised tax losses and unabsorbed capital allowance	(2,126,301)	(4,679,695)	–	(1,041,128)
Others	(3,451,148)	(3,499,067)	(1,682,507)	(1,617,487)
	85,991,952	77,312,162	37,858,208	33,484,044

Deferred tax assets that have not been recognised in respect of the following items due to uncertainty of probable future taxable profit will be available against which can utilise the benefits:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses	–	976,687	–	–
Unabsorbed capital allowance	–	150,448	–	–
Others	–	–	–	–
	–	1,127,135	–	–

With effective from year of assessment 2019, the unabsorbed tax losses are available for offset against future taxable profit of the Group for a maximum period of ten consecutive years of assessment under the current tax legislation.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 21. TRADE PAYABLES

The credit terms of trade payables range from 30 to 90 days.

The foreign exposure profile of trade payables other than functional currency is as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
USD	384,732	558,327	384,732	558,327
EURO	144,770	136,760	144,770	136,760

### 22. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	14,510,419	17,350,761	1,943,443	2,789,928
Accruals	57,289,893	55,032,145	31,165,487	27,526,148
Deposit received	86,781	684,365	24,845	684,365
	71,887,093	73,067,271	33,133,775	31,000,441

### 23. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM

Revenue represents:

Sale of goods	1,042,794,342	1,069,817,570	491,352,744	495,030,948
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Timing of revenue recognition:

At a point in time	1,042,794,342	1,069,817,570	491,352,744	495,030,948
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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 24. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Staff costs</b>				
Salaries, wages and bonus	88,513,802	95,273,137	22,646,685	22,454,873
Defined contribution plans	6,711,426	6,808,946	1,165,474	1,112,971
Other benefits	11,310,796	9,415,157	893,776	634,264
Share based expenses	5,154,600	–	1,166,000	–
Directors' emoluments	11,490,180	6,054,081	11,490,180	5,241,011
	123,180,804	117,551,321	37,362,115	29,443,119

The details of directors' emoluments are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	318,752	323,000	318,752	323,000
Salaries and bonus	6,774,913	5,081,538	6,774,913	4,388,300
Defined contribution plans	1,490,614	980,052	1,490,614	860,220
Share based expenses	2,904,000	–	2,904,000	–
Other benefits	1,901	1,741	1,901	1,741
	11,490,180	6,386,331	11,490,180	5,573,261

The estimated monetary value of benefits-in-kind received or receivable by the directors of the Group and of the Company was RM39,450 (2023: RM28,913).

### 25. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Based on the results for the year:</b>				
<b>Current tax</b>				
Malaysian Income Tax	20,599,932	4,883,599	10,043,889	–
Deferred taxation	8,679,790	6,809,952	4,374,164	(892,189)
	29,279,722	11,693,551	14,418,053	(892,189)
Under/(Over)estimated in prior year	92,551	278,663	(237,154)	–
<b>Tax expense/(income) for the year</b>	29,372,273	11,972,214	14,180,899	(892,189)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 25. TAXATION (CONT'D)

**Reconciliation between tax expense/(income) and the product of accounting profit multiplied by the applicable tax rate:**

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>Profit before taxation</b>	119,452,223	40,213,750	36,909,426	7,077,480
<b>Tax at Malaysia statutory tax rate of 24% (2023: 24%)</b>	28,668,534	9,651,300	8,858,262	1,698,595
Income not subject to tax	(1,133,733)	(1,392,322)	(670)	(3,605,427)
Expenses not deductible for tax purposes	2,209,156	5,329,049	3,875,038	1,786,273
Under/(Over)estimated of deferred tax in prior years	1,390,463	(1,574,336)	1,685,423	(771,630)
Utilisation of reinvestment allowance	(232,633)	(268,071)	–	–
Further deduction for employment of senior citizen	(11,184)	(11,146)	–	–
Utilisation of unabsorbed tax losses and capital allowances from prior years	(1,610,881)	(40,923)	–	–
Under/(Over) estimated in prior year	29,279,722 92,551	11,693,551 278,663	14,418,053 (237,154)	(892,189) –
<b>Tax expense/(income) for the year</b>	29,372,273	11,972,214	14,180,899	(892,189)

### 26. EARNINGS PER ORDINARY SHARE

#### (a) Basic earnings per ordinary share:-

The basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

	2024 RM	Group 2023 RM
Profit for the year attributable to owners of the Company	90,253,342	28,106,645
Weighted average number of ordinary shares in issue	740,813,133	740,319,100
Basic earnings per share (sen)	12.18	3.80





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 26. EARNINGS PER ORDINARY SHARE (CONT'D)

#### (b) Diluted

The diluted earnings per ordinary share has been calculated based on the consolidated profit attributable to owners of the Company divided by the average number of ordinary shares in issue adjusted to assume conversion of all dilutive potential ordinary shares.

	2024 RM	Group 2023 RM
Adjustment weighted average number of ordinary shares applicable to diluted earnings per share	805,714,900	*
Diluted earnings per share (sen)	11.20	*

\* No diluted earnings per share is presented as there are no potential dilutive ordinary shares as at the end of the financial year.

### 27. DIVIDENDS

	Group and Company 2024 RM	2023 RM
Final single tier dividend of 0.3 sen (2023: 0.3 sen) per ordinary share	2,220,957	2,220,957

### 28. RELATED PARTY DISCLOSURES

#### Significant Related Party Transactions

	Company 2024 RM	2023 RM
(a) <b>Transactions with Subsidiaries</b>		
Sales	232,678,839	230,035,056
Purchases	(29,897,744)	(25,471,197)
Management fees	1,266,000	1,266,000
Rental income	14,600	3,600
Corporate guarantee fee		-
Interest income	995,646	746,091
Interest expense	-	(3,455)
Marketing expense	(1,043,606)	(441,819)
Waste management disposal	(3,120,000)	(3,120,000)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 28. RELATED PARTY DISCLOSURES (CONT'D)

#### Significant Related Party Transactions (Cont'd)

	Company	
	2024 RM	2023 RM
<b>(b) Transactions with Associate</b>		
<b>Group</b>		
Sales	–	11,176,271
Rental income	–	92,580
<b>Company</b>		
Rental income	15,430	92,580

#### Compensation of the key management personnel

Key management personnel are defined as a person having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group.

The compensation of other members of key management personnel during the financial year besides the Directors are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries and bonuses	1,681,563	1,235,753	485,961	216,865
Defined contribution	234,949	187,121	44,863	27,197
	1,916,512	1,422,874	530,824	244,062

### 29. SEGMENTAL REPORTING

The Group has reportable segments that are based on information reported internally to the Group Managing Director. The reportable segments are summarised as follows :-

- (i) Integrated livestock farming
- (ii) Food manufacturing
- (ii) Retail business

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and income taxes.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 29. SEGMENTAL REPORTING (CONT'D)

The inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

2024	Integrated livestock farming RM	Food manufacturing RM	Retail business RM	Elimination RM	Consolidation RM
<b>Revenue</b>					
External customers	392,550,028	420,469,326	229,774,988	–	1,042,794,342
Inter-segment	410,196,062	133,516,710	–	543,712,772	–
Total revenue	802,746,090	553,986,036	229,774,988	543,712,772	1,042,794,342
<b>Results</b>					
Segment results	93,546,431	39,818,692	213,717	(1,857,612)	131,721,228
Finance costs	(10,019,104)	(2,016,586)	(1,228,961)	995,646	(12,269,005)
Profit before taxation	83,527,327	37,802,106	(1,015,244)	(861,966)	119,452,223
Taxation	(24,905,719)	(3,900,508)	(566,046)	–	(29,372,273)
Profit/(Loss) for the year	58,621,608	33,901,598	(1,581,290)	(861,966)	90,079,950
<b>Other information</b>					
Segment assets	796,032,099	214,932,492	48,132,122	(5,527,954)	1,053,568,795
Segment liabilities	334,065,078	110,826,448	38,228,731	(537,598)	482,582,659
Capital expenditure	42,875,722	14,900,859	4,526,703	–	62,303,284
Depreciation and amortisation	25,761,102	15,927,811	7,119,277	–	48,808,190
Interest expense	10,054,934	1,962,572	1,247,145	(995,646)	12,269,005
Interest income	1,463,410	–	24,329	995,646	492,093
<b>Other non-cash item</b>					
Non-cash items other than depreciation and amortisation					(16,763,629)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 29. SEGMENTAL REPORTING (CONT'D)

2023	Integrated livestock farming RM	Food manufacturing RM	Retail business RM	Elimination RM	Consolidation RM
<b>Revenue</b>					
External customers	392,560,527	433,531,495	243,725,548	–	1,069,817,570
Inter-segment	409,348,410	118,678,551	–	(528,026,961)	–
Total revenue	801,908,937	552,210,046	243,725,548	(528,026,961)	1,069,817,570
<b>Results</b>					
Segment results	41,525,442	29,931,236	2,780,413	(22,585,729)	51,651,362
Finance costs	(9,072,977)	(1,965,827)	(1,148,534)	749,726	(11,437,612)
Profit before taxation	32,452,465	27,965,409	1,631,879	(21,836,003)	40,213,750
Taxation	(7,575,385)	(3,693,393)	(703,436)	–	(11,972,214)
Profit for the year	24,877,080	24,272,016	928,443	(21,836,003)	28,241,536
<b>Other information</b>					
Segment assets	1,018,313,701	139,373,019	93,682,716	(299,169,280)	952,200,156
Segment liabilities	485,852,043	117,007,751	54,472,237	(179,802,015)	477,530,016
Capital expenditure	23,275,209	3,739,674	8,394,541	–	35,409,424
Depreciation and amortisation	26,731,976	14,633,334	5,860,324	–	47,225,634
Interest expense	9,153,972	1,884,833	1,148,533	(749,726)	11,437,612
Interest income	857,642	–	19,132	(749,726)	127,048
<b>Other non-cash item</b>					
Non-cash items other than depreciation and amortisation					(4,461,942)



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS

#### (a) Financial risk management policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's business whilst managing its risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's and the Company's normal course of business are as follows :-

#### (i) Interest rate risk

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

The Group and the Company manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

The interest rate profile of the Group and the Company significant interest bearing financial instruments, based on the carrying amount as at the end of the reporting year were :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Fixed rate instruments</b>				
Lease liabilities	41,160,723	35,888,259	15,337,771	11,325,201
<b>Floating rate instruments</b>				
Bills payable	139,300,000	141,899,000	99,068,000	90,636,000
Bank overdrafts	7,095,205	1,849,814	3,773,113	546,865
Term loans	43,877,949	58,908,031	22,664,800	32,855,775

#### Sensitivity analysis

Sensitivity analysis is not disclosed on fixed rate financial liabilities as fixed rate financial liabilities are not exposed to interest rate risk and are measured at amortised cost.

At the reporting date, if the interest rate of floating rate instruments had been 50 basis points lower/higher, with all other variables were held constant, the Group's and the Company's profit before tax would have been RM951,366 (2023 : RM1,013,509) and RM627,530 (2023: RM620,193) higher/lower. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial risk management policies (Cont'd)

##### (ii) Foreign Currency Risk

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

The Group and the Company are exposed to foreign currency risk mostly on its sales, bank balances and purchases that are denominated in currencies other than the functional currency of the Group and of the Company. The currency giving rise to this risk is primarily in USD and SGD.

##### Sensitivity analysis

At the end of the reporting date, the management of the Group and of the Company determined that the effects of sensitivity of the Group's and of the Company's profit for the financial year to a reasonably possible change in other currencies exchange rates to be insignificant to the financial statements.

##### (iii) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of reporting date based on undiscounted contractual payments.

Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within one year RM	Between two to five years RM	After five years RM
<b>2024</b>					
<b>Financial liabilities:</b>					
Trade and other payables	156,947,248	156,947,248	156,947,248	-	-
Bank overdrafts	7,095,205	7,095,205	7,095,205	-	-
Bills payable	139,300,000	139,300,000	139,300,000	-	-
Lease liabilities	41,160,723	44,957,925	16,428,725	27,882,172	647,028
Term loans	43,877,949	52,366,653	14,935,027	25,779,337	11,652,289
	388,381,125	400,667,031	334,706,205	53,661,509	12,299,317
Financial guarantee contracts*	-	7,743,570	7,743,570	-	-

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

## (a) Financial risk management policies (Cont'd)

## (iii) Liquidity Risk (Cont'd)

Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within one year RM	Between two to five years RM	After five years RM
<b>2023</b>					
<b>Financial liabilities:</b>					
Trade and other payables	158,039,059	158,039,059	158,039,059	-	-
Amount due to an associate	3,633,691	3,633,691	3,633,691	-	-
Bank overdrafts	1,849,814	1,849,814	1,849,814	-	-
Bills payable	141,899,000	141,899,000	141,899,000	-	-
Lease liabilities	35,888,259	39,771,224	15,874,747	23,420,175	476,302
Term loans	58,908,031	69,994,015	17,795,550	34,512,347	17,686,118
	400,217,854	415,186,803	339,091,861	57,932,522	18,162,420
Financial guarantee contracts*	-	7,652,570	7,652,570	-	-
<b>Company</b>					
<b>2024</b>					
<b>Financial liabilities:</b>					
Trade and other payables	74,085,265	74,085,265	74,085,265	-	-
Amount due to subsidiaries	15,903,827	15,903,827	15,903,827	-	-
Bank overdrafts	3,773,114	3,773,114	3,773,114	-	-
Bills payable	99,068,000	99,068,000	99,068,000	-	-
Lease liabilities	15,337,771	16,982,165	6,067,576	10,831,444	83,145
Term loans	22,664,799	25,841,743	9,584,627	12,333,967	3,923,149
	230,832,776	235,654,114	208,482,409	23,165,411	4,006,294
Financial guarantee contracts*	-	68,057,241	68,057,241	-	-
<b>2023</b>					
<b>Financial liabilities:</b>					
Trade and other payables	76,646,242	76,646,242	76,646,242	-	-
Amount due to subsidiaries	4,112,749	4,112,749	4,112,749	-	-
Bank overdrafts	546,865	546,865	546,865	-	-
Bills payable	90,636,000	90,636,000	90,636,000	-	-
Lease liabilities	11,325,201	12,263,264	5,018,290	7,159,474	85,500
Term loans	32,855,775	37,369,470	11,593,663	18,507,852	7,267,955
	216,122,832	221,574,590	188,553,809	25,667,326	7,353,455
Financial guarantee contracts*	-	95,751,520	95,751,520	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial risk management policies (Cont'd)

##### (iv) Credit Risk

Credit risk is the risk of a financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from their trade and other receivables and advances to subsidiaries.

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with high creditworthiness. The Group and Company also have an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via the Group and the Company management reporting procedures.

##### *Concentration of credit risk*

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and Company. The Group and Company use ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitor individually.

The Group and Company applied the simplified approach to measure the loss allowance at lifetime expected credit losses for all trade receivables. The Group and Company determine the Expected Credit Loss ("ECL") on these items by using a provision matrix, where applicable, estimated based on historical credit loss experience based on the past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The following ageing of trade receivables provides information about the exposure to credit risk and ECLs for trade receivables:

Group	Gross- carrying amount RM	Individual impairment RM	ECL RM	Net balance RM
<b>2024</b>				
Not past due	75,390,851	–	–	75,390,851
Up to 90 days past due	9,643,562	–	–	9,643,562
More than 91 days past due	1,085,478	(405,606)	(72,045)	607,827
	10,729,040	(405,606)	(72,045)	10,251,389
	86,119,891	(405,606)	(72,045)	85,642,240
<b>2023</b>				
Not past due	78,905,058	–	–	78,905,058
Up to 90 days past due	4,413,797	–	–	4,413,797
More than 91 days past due	3,178,903	(1,184,659)	(165,200)	1,829,044
	7,592,700	(1,184,659)	(165,200)	6,242,841
	86,497,758	(1,184,659)	(165,200)	85,147,899





# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 30. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Financial risk management policies (Cont'd)

#### (iv) Credit Risk (Cont'd)

Company	Gross-carrying amount RM	Individual impairment RM	ECL RM	Net balance RM
<b>2024</b>				
Not past due	16,415,140	–	–	16,415,140
Up to 90 days past due	7,236,198	–	–	7,236,198
More than 91 days past due	(56,790)	(28,603)	(14,828)	(100,221)
	7,179,408	(28,603)	(14,828)	7,135,977
	23,594,548	(28,603)	(14,828)	23,551,117
<b>2023</b>				
Not past due	21,220,347	–	–	21,220,347
Up to 90 days past due	992,819	–	–	992,819
More than 91 days past due	1,227,018	(813,276)	(109,935)	303,807
	2,219,837	(813,276)	(109,935)	1,296,626
	23,440,184	(813,276)	(109,935)	22,516,973

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at 31 March 2024, the Group and the Company have significant concentration of credit risk in the form of outstanding balances of approximately RM22,317,691 and RM10,641,834 due from five major trade receivables (2023: RM22,789,729 and RM7,577,503) which represents 26% and 34% (2023: 26% and 34%) of the total trade receivables of the Group and Company respectively. However, the Directors are of the opinion that these amount outstanding is fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group and of the Company.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

In respect of other receivables, the Group and the Company is not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

The Company provides unsecured loans and advances to subsidiaries. As at the end of the reporting date, the maximum exposure to credit risk is represented by its carrying amounts in the statements of financial position.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial risk management policies (Cont'd)

##### (iv) Credit Risk (Cont'd)

The maximum exposure to credit risk is RM8,125,920 (2023 : RM95,751,520) in respect of the corporate guarantees given to financial institutions for banking facilities granted to and utilised by the subsidiaries as at the reporting date.

The maximum exposure to credit risk is RM7,743,570 (2023 : RM7,652,570) in respect of the corporate guarantees given to utility providers of the Group as at the reporting date.

#### (b) Fair Values of Financial Instruments

The carrying amount of the financial assets and financial liabilities of the Group and of the Company as at the reporting date are approximate fair value due to the relative short term maturity.

The fair values of the Group's and of the Company's floating interest rates borrowings approximated their carrying amounts as they are repriced to market interest rate nearer to reporting date.

#### (c) Fair Value Hierarchy

The Group and the Company measure fair values using fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie. prices) or indirectly (ie. derived from prices)

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table provide the fair value measurement hierarchy of the Group's and the Company's assets :

	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM
<b>Group</b>				
<b>2024</b>				
Assets measured at fair value :				
Property, plant and equipment (Note 5)	01.03.2021	–	349,372,056	–
Investment properties (Note 6)	01.03.2021	–	4,110,000	2,160,000
Quoted shares (Note 9)	31.03.2024	339,666	–	–
Biological assets (Note 11)	31.03.2024	–	–	103,238,150



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (c) Fair Value Hierarchy (Cont'd)

	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM
<b>Group</b>				
<b>2023</b>				
Assets measured at fair value :				
Property, plant and equipment (Note 5)	01.03.2021	–	349,372,056	–
Investment properties (Note 6)	01.03.2021	–	4,110,000	2,160,000
Quoted shares (Note 9)	31.03.2023	390,735	–	–
Biological assets (Note 11)	31.03.2023	–	–	76,004,863

#### **Company** **2024**

Assets measured at fair value :

Property, plant and equipment (Note 5)	01.03.2021	–	118,776,830	–
Quoted shares (Note 9)	31.03.2024	336,558	–	–
Biological assets (Note 11)	31.03.2024	–	–	61,142,151

#### **2023**

Assets measured at fair value :

Property, plant and equipment (Note 5)	01.03.2021	–	118,776,830	–
Quoted shares (Note 9)	31.03.2023	387,405	–	–
Biological assets (Note 11)	31.03.2023	–	–	52,956,273

#### (d) Classification of Financial Instruments

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows :

- (i) Financial assets at amortised cost (AC)
- (ii) Financial assets at fair value through profit or loss (FVPL)
- (iii) Financial liabilities at amortised cost (FL)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (d) Classification of Financial Instruments (Cont'd)

	Carrying amount RM	AC RM	FVPL RM	FL RM
<b>Group 2024</b>				
<b>Financial assets</b>				
Other investments	532,666	–	532,666	–
Trade and other receivables	123,522,209	123,522,209	–	–
Deposits with a licensed bank	579,102	579,102	–	–
Cash and bank balances	59,108,442	59,108,442	–	–
	183,742,419	183,209,753	532,666	–
<b>Financial liabilities</b>				
Trade and other payables	156,947,248	–	–	156,947,248
Borrowings	231,433,877	–	–	231,433,877
	388,381,125	–	–	388,381,125
<b>2023</b>				
<b>Financial assets</b>				
Other investments	583,735	–	583,735	–
Trade and other receivables	112,789,507	112,789,507	–	–
Deposits with a licensed bank	564,977	564,977	–	–
Cash and bank balances	30,547,686	30,547,686	–	–
	144,485,905	143,902,170	583,735	–
<b>Financial liabilities</b>				
Trade and other payables	158,039,059	–	–	158,039,059
Amount due to an associate	3,633,691	–	–	3,633,691
Borrowings	238,545,104	–	–	238,545,104
	400,217,854	–	–	400,217,854



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (d) Classification of Financial Instruments (Cont'd)

	Carrying amount RM	AC RM	FVPL RM	FL RM
<b>Company</b>				
<b>2024</b>				
<b>Financial assets</b>				
Other investments	454,558	–	454,558	–
Trade and other receivables	51,660,612	51,660,612	–	–
Amount due from subsidiaries	146,238,599	146,238,599	–	–
Cash and bank balances	26,814,765	26,814,765	–	–
	225,168,534	224,713,976	454,558	–
<b>Financial liabilities</b>				
Trade and other payables	74,085,265	–	–	74,085,265
Amount due to subsidiaries	15,903,827	–	–	15,903,827
Borrowings	140,843,684	–	–	140,843,684
	230,832,776	–	–	230,832,776
<b>2023</b>				
<b>Financial assets</b>				
Other investments	505,405	–	505,405	–
Trade and other receivables	43,753,260	43,753,260	–	–
Amount due from subsidiaries	135,111,468	135,111,468	–	–
Amount due from an associate	1,118	1,118	–	–
Cash and bank balances	11,359,237	11,359,237	–	–
	190,730,488	190,225,083	505,405	–
<b>Financial liabilities</b>				
Trade and other payables	76,646,242	–	–	76,646,242
Amount due to subsidiaries	4,112,749	–	–	4,112,749
Borrowings	135,363,841	–	–	135,363,841
	216,122,832	–	–	216,122,832

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 31. CAPITAL COMMITMENT

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Capital expenditure for property, plant and equipment:				
Approved and contracted for	14,293,000	11,963,000	10,522,000	10,081,000

### 32. CONTINGENT LIABILITIES

#### MATERIAL OUTSTANDING LITIGATION

On 2 July 2018, Lay Hong Berhad ("Plaintiff") had filed a claim against Loke Chee Min ("1st defendant"), Beh Yong Hock ("2nd defendant"), Leong Sze Seng ("3rd defendant") and The Roof Realty Sdn Bhd ("4th Defendant") for a special damages of RM3,256,904.84 with interest and costs.

Pursuant to the claim, the Plaintiff is seeking the special damages upon the recommendation/misrepresentation of the 3rd defendant (a real estate negotiator employed by the 4th defendant, a registered real estate agent) wherein 3rd defendant represented inter alia to the plaintiff that the owners of the land held under Grant Mukim 6469 for Lot 31982 and Grant Mukim 6470 for Lot 31983 both in the Mukim of Kapar, District of Klang, Selangor (the said lands) wish to sell the lands and that the 1st defendant is the solicitor representing the land owner. The 2nd defendant is the solicitor appointed by the plaintiff to handle the sale and purchase transaction on its behalf while the 1st defendant purportedly acted for the owners of the said lands. The plaintiff paid the monies to the 1st defendant as stakeholder based on the sale and purchase agreement terms executed between the parties.

Subsequently, the plaintiff found out that the owners of the said lands did not appoint the first defendant as their solicitors and neither did they sell their said lands.

The plaintiff claims against the defendants inter alia for the loss and damage suffered by it:-

- i) against the 1st defendant for breach of fiduciary duty and/or trust as the stakeholder of the purchase price of the said lands and wrongfully deprived the plaintiff the said payments;
- ii) against the 2nd defendant for breach of contract and negligence;
- iii) against the 3rd defendant for fraudulent and/or negligent misrepresentation; and
- iv) against the 4th defendant as the principal and/or employer of the 3rd defendant for vicarious liability in respect of the act and/or omission of the 3rd defendant.

NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**32. CONTINGENT LIABILITIES (CONT'D)****MATERIAL OUTSTANDING LITIGATION (CONT'D)**

The court proceeded with the trial on 12/11/2019, 13/11/2019, 14/11/2019, 21/11/2019, 31/1/2020, 9/9/2020, 10/9/2020 and on 19/9/2020, the Court delivered its decision as follows :

- 1) the plaintiff's claim against the 1st defendant was allowed in totality;
- 2) the plaintiff claim against the 2nd defendant was allowed in the sum of approximately RM600k, being 20% of total damage;
- 3) the plaintiff claim against the 3rd defendant was allowed in the sum of approximately 75k, being commission received;
- 4) the plaintiff claim against 4th defendant was dismissed;
- 5) In view of (4) above, no order was made in respect of 4th defendant's third party claim against the 1st and 3rd defendants.

The Company has appeal to Court of Appeal and the case was e-reviewed on 4/8/2023 and The Court of Appeal has fixed the appeals for decision on 24/10/2023. On 24/10/2023, the Court of Appeal delivered its decision as follows;

- 1) The Court held that Beh Yong Hock did not breach his duty of care and the Company is to pay RM30k to him. The Company is entitled to recover the said costs from Loke Chee Min and Leong Sze Seng jointly and severally.
- 2) The Company's appeal against Leong Sze Seng is allowed with cost of RM15k and he is held liable jointly and severally with Loke Chi Min the entire sum of RM3,057,367 together with interest at 5% p.a. thereon from 19.2.2021.
- 3) The Company's appeal against The Roof Realty is dismissed with cost of RM10k.

In view of the Court of Appeal decision, apart from the stated above, the Group financial performance have been impacted by a write-off of the remaining deposit receivable of RM1.3million in addition to the professional fees of RM280k to the lawyer in total.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 33. CAPITAL MANAGEMENT

The Group and Company's primary objective in managing their capital is to maximise the value by optimising its capital structure and enhancing capital efficiency while maintaining a sufficient level of liquidity. The Group and Company targets a capital structure of an optimal mix of debt and equity to achieve an efficient cost of capital vis-à-vis maintaining financial flexibility for their business requirement and investing for future growth. The Group and Company regularly reviews and manage its capital structure in accordance with the changes in economic conditions and its future business plan.

The Group and Company manage their capital based on debt-to-equity ratio, which is total debt divided by total equity attributable to equity holders of the Group and Company. The debt-to-equity ratio at the end of the reporting period were as follows :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total borrowings (Note 19)	231,433,877	238,545,104	140,843,684	135,363,841
Less : Cash and bank balances	(59,108,442)	(30,547,686)	(26,814,765)	(11,359,237)
	172,325,435	207,997,418	114,028,919	124,004,604
Total equity	570,986,136	474,670,140	348,700,549	319,798,830
Debt-to-equity ratio	<b>0.30</b>	<b>0.44</b>	<b>0.33</b>	<b>0.39</b>

There has been no change in the above capital management objectives, policies and processes compared to the previous year.





## STATEMENT BY DIRECTORS

Pursuant to Section 251 (2) of the Companies Act 2016

We, DATO' YAP HOONG CHAI and DATO' YEAP WENG HONG, being two of the directors of LAY HONG BERHAD, do hereby state on behalf of the directors that, in our opinion the financial statements set out on pages 80 to 159 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 MARCH 2024 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the board in accordance with a resolution of the directors.

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DATO' YAP HOONG CHAI

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DATO' YEAP WENG HONG

Klang, Selangor

Dated : 24 June 2024

## STATUTORY DECLARATION

Pursuant to Section 251 (1) (b) of the Companies Act 2016

I, NG KIM TIAN, being the director primarily responsible for the financial management of LAY HONG BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 80 to 159 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly  
declared at Petaling Jaya in the state of Selangor  
on 24 June 2024

Before me,

---

**NG KIM TIAN**  
(Director)

# ANALYSIS OF SHAREHOLDINGS

As At 28 June 2024

Issued & Fully Paid-up Capital : 755,166,570 ordinary shares  
Class of Shares : Ordinary shares  
Voting Rights : One vote per ordinary share

**30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)  
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE  
SAME PERSON)**

NAME OF SHAREHOLDERS		NO. OF SHARES HELD	(%)
1.	MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR NH FOODS LTD	132,500,000	17.55
2.	INNOFARM SDN. BHD.	97,250,000	12.88
3.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD.	47,800,000	6.33
4.	YAP HOONG CHAI	47,512,000	6.29
5.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHENG YING YING (CHE3060M)	22,939,390	3.04
6.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD. (MARGIN)	20,350,000	2.69
7.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD. (MY3045)	19,000,000	2.52
8.	YAYASAN GURU TUN HUSSEIN ONN	10,000,000	1.32
9.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR YAP HOONG CHAI (YAP2110M)	9,384,700	1.24
10.	LAW KING YONG	7,154,000	0.95
11.	YEAP WENG HONG	6,812,000	0.90
12.	LAW KING YONG	6,770,000	0.90
13.	YIP KIM HOONG	5,702,370	0.76
14.	UNG YOKE HONG	5,207,700	0.69
15.	CARTABAN NOMINEES (ASING) SDN. BHD. - THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	4,395,300	0.58
16.	YEAP FOCK HOONG	4,340,000	0.57
17.	NG CHEW KEE	4,330,300	0.57
18.	CHNG KIM CHYE	3,882,600	0.51
19.	TARGETLINK SDN. BHD.	3,026,800	0.40
20.	KONG SIANG WEN	2,922,200	0.39

ANALYSIS OF SHAREHOLDINGS  
(CONTINUED)**30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)  
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)**

NAME OF SHAREHOLDERS	NO. OF SHARES HELD	(%)
21. LIM YOKE SIM	2,879,100	0.38
22. LIM KIM KEOW	2,800,000	0.37
23. TEE CHEE CHONG	2,700,000	0.36
24. HSBC NOMINEES (ASING) SDN. BHD. - J.P. MORGAN SECURITIES PLC	2,587,800	0.34
25. ONG JUN JIE	2,500,000	0.33
26. OOI CHIN HOCK	2,100,000	0.28
27. OO KWANG TUNG	1,973,600	0.26
28. YIP CHOR WEI	1,950,000	0.26
29. YAP SHOR YEE	1,894,000	0.25
30. PUBLIC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHONG YIN CHIANG (E-PLT)	1,800,000	0.24
<b>TOTAL</b>	<b>484,463,860</b>	<b>64.15</b>

**SHAREHOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)**

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	%
1 - 99	144	3,319	*0.00
100 - 1,000	927	528,100	0.07
1,001 - 10,000	3,221	19,639,456	2.60
10,001 - 100,000	3,061	106,080,535	14.05
100,001 to less than 5% of the issued shares	499	303,853,160	40.24
5% and above of the issued shares	4	325,062,000	43.05
<b>TOTAL</b>	<b>7,856</b>	<b>755,166,570</b>	<b>100.00</b>

Remark: \* Less than 0.01%

## ANALYSIS OF SHAREHOLDINGS (CONTINUED)

### LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT	NO. OF SHARES HELD		
			%	INDIRECT	%
1.	Innofarm Sdn. Bhd.	185,789,800	24.60	–	–
2.	NH Foods Ltd	132,500,000	17.55	–	–
3.	Dato' Yap Hoong Chai	56,896,700	7.53	185,789,800*	24.60

Remark : \* Deemed interested by virtue of his interest in Innofarm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

### LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	NAME OF DIRECTORS	DIRECT	NO. OF SHARES HELD		
			%	INDIRECT	%
1.	Dato' Yap Hoong Chai	56,896,700	7.53	220,504,660*	29.20
2.	Dato' Yap Chor How	383,700	0.05	–	–
3.	Dato' Yeap Weng Hong	6,812,000	0.90	–	–
4.	Ng Kim Tian	–	–	–	–
5.	Yeap Fock Hoong	4,610,000	0.61	–	–
6.	Tan Chee Hau	–	–	–	–
7.	Wong Soo Thiam	–	–	–	–
8.	Tham Wei Mei	–	–	–	–

Remark : \* Deemed interested in 34,714,860 shares held by his direct family members, 185,789,800 shares by virtue of Innofarm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016



# LIST OF TOP TEN PROPERTIES

As at 31st March 2024

Location	Description & Existing Use	Aproximate Area (Acres)	Tenure & Expiry Date	Age of building (Years)	NBV (RM'000)	Date of acquisition / Revaluation
GM1706, Lot No. 1822 Mukim of Jeram Kuala Selangor	Layer Farm	5.0	Freehold	4-7	16,183	1/3/2021
Lot Nos. 1717/8/9 & 1720 Mukim of Ayer Panas Jasin, Melaka	Layer Farm & Fertiliser Plant & Building	40.4	Freehold	6-39	15,222	1/3/2021
Lot Nos. 739/40 & 741 Mukim Api-Api Kuala Selangor	Breeder Farm	15.0	Freehold	4-21	14,273	1/3/2021
Lot No. 4857 Mukim of Jeram Kuala Selangor	Layer Farm & Feedmill	25.0	Freehold	4-40	13,117	1/3/2021
GM1134, Lot No. 2809 Mukim of Jeram Kuala Selangor	Layer Farm	5.0	Freehold	4-8	12,984	1/3/2021
Lot Nos.16456/7&16486 Mukim Tanjong Karang Kuala Selangor	Processing Plant	3.0	Leasehold 'Nov 2080 (16456/7) , July 2080 (16486)	5-20	12,679	1/3/2021
Lot Nos. 1475/6 Lot Nos. 253 & 244 Mukim Pasangan Kuala Selangor	Breeder Farm & Hatchery	18.5	Freehold	8-26	12,233	1/3/2021
No. 2, Level 10-12, Wisma Lay Hong, Jalan Empayar Off Persiaran , Sultan Ibrahim/KU1, 41150 Klang	Corporate Office	31,212 sq ft	Freehold	15	12,172	1/3/2021
NT. No. 043081625, Tamparuli, Sabah	Layer Farm	9.1	Leasehold 'Feb 2037	12	12,008	1/3/2021
Lot Nos. 16458/9 Mukim of Tanjung Karang Kuala Selangor	Processing Plant	2.0	Leasehold 'Aug 2080	7-10	10,006	1/3/2021

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fortieth (“40th”) Annual General Meeting (“AGM”) of **LAY HONG BERHAD** (the “**Company**”) will be conducted on a fully virtual basis via online meeting platform of Securities Services e-Portal at <https://sshbsb.net.my/> provided by SS E Solutions Sdn. Bhd. in Malaysia on **Friday, 27 September 2024** at **11.00 a.m.** or at any adjournment thereof to consider and if thought fit, to pass the following resolutions with or without modifications:

## ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. **(See Explanatory Note 10)**
2. To approve the payment of a Final Single Tier Dividend of 0.5 sen per ordinary share for the financial year ended 31 March 2024. **Ordinary Resolution 1  
(See Explanatory Note 11)**
3. To approve the payment of Directors’ Fees of RM350,000.00 for the financial year ended 31 March 2024. **Ordinary Resolution 2**
4. To re-elect the following Directors who are retiring under Clause 134 of the Constitution of the Company:
  - i. Dato’ Yap Hoong Chai **Ordinary Resolution 3**
  - ii. Mr. Ng Kim Tian **Ordinary Resolution 4**
  - iii. Mr. Tan Chee Hau **Ordinary Resolution 5  
(See Explanatory Note 12)**
5. To re-appoint Messrs. Tai, Yapp & Co. PLT as Auditors for the financial year ending 31 March 2025 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

## SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

6. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016”) (“Proposed General Mandate”)** **Ordinary Resolution 7  
(See Explanatory Note 13)**

“**THAT** subject always to Sections 75 and 76 of the CA 2016, the Constitution, the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 41st AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

**THAT** the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 65 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.



## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

**AND THAT** the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

### 7. **Proposed Renewal of Share Buy-Back Authority for Purchase of its own Ordinary Shares (“Proposed Renewal of Share Buy-Back”)**

**Ordinary Resolution 8  
(See Explanatory Note 14)**

“**THAT** subject to Section 127 of the Act, the Constitution of the Company, the MMLR of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

**THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

**AND THAT** such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

whichever occurs first;

**AND FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

8. To transact any other business for which due notice shall have been given in accordance with the Constitution of the Company and/or the CA 2016.

### BY ORDER OF THE BOARD

**WONG YUET CHYN (MAICSA 7047163)**  
**(SSM PC 202008002451)**  
Company Secretary

Kuala Lumpur  
Date: 31 July 2024

### Notes:-

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 September 2024, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting for the meeting.



NOTICE OF ANNUAL GENERAL MEETING  
(CONTINUED)**Explanatory Notes on Ordinary Business****10. Audited Financial Statements for financial year ended 31 March 2024**

The audited financial statements are laid in accordance with Section 340(1) (a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

**11. Notice of Dividend Entitlement and Payment**

**Notice is also hereby given that** subject to the approval of the shareholders at the forthcoming 40th AGM, a Final Single Tier Dividend of 0.5 sen per share will be paid on 13 November 2024 to the shareholders whose names appear in the Record of Depositors at the close of business on 15 October 2024.

A depositor shall qualify for entitlement only in respect of: -

- a) shares transferred to the Depositors' Securities Account before 4.30 p.m. on 15 October 2024 in respect of ordinary transfers; and
- b) shares bought on Bursa Securities on a cum entitlement basis according to the Paragraphs of Bursa Securities.

**12. Re-election of Directors**

Dato' Yap Hoong Chai, Mr Ng Kim Tian and Mr Tan Chee Hau (Mr Tan) being eligible, have offered themselves for re-election as Directors at this AGM pursuant to the Constitution of the Company.

The Board (with exception of the retiring Directors who abstained) recommended the retiring directors be re-elected as the Directors of the Company as they have character, experience, integrity, competence and time to effectively discharge their role as Directors of the Company.

The Board (with exception of the retiring Director who abstained) was further satisfied that Mr Tan has complied with the criteria of independence based on the MMLR and remain his independent in exercising their judgement and carry out his role as Independent Director.

**Explanatory Notes on Special Business****13. Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the CA 2016**

The proposed Ordinary Resolution 7 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company.

The Proposed General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the CA 2016 and Clause 65 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### Explanatory Notes on Special Business (Cont'd)

#### 13. Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the CA 2016 (cont'd)

As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the last AGM held on 27 September 2023 and this authority will lapse as the conclusion of the 40th AGM of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Proposed General Mandate is in the best interests of the Company and its shareholders.

#### 14. Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the MMLR of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company. Further details are set out in the circular to Shareholders dated 31 July 2024 circulated together with this Annual Report.

#### 15. Personal Data Privacy

By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

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# LAY HONG BERHAD

Registration No. 198301011738 (107129-H)  
(Incorporated in Malaysia)

CDS ACCOUNT NO.				-				-								
NO. OF SHARES HELD																

## FORM OF PROXY

I/We .....  
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No. ....)

of .....  
(FULL ADDRESS)

Email Address ..... Contact No. ....

being a member/members of **LAY HONG BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address		Contact No.

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholding to be Represented
Address		
Email Address		Contact No.

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 40th Annual General Meeting of the Company will be held on a fully virtual basis via online meeting platform of Securities Services e-Portal at <https://sshsb.net.my/> provided by SS E Solutions Sdn. Bhd. in Malaysia on **Friday, 27 September 2024 at 11.00 a.m.** or at any adjournment thereof.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Payment of Final Single Tier Dividend		
2.	Payment of Directors' Fees for the financial year ended 31 March 2024		
3.	Re-election of Dato' Yap Hoong Chai		
4.	Re-election of Mr. Ng Kim Tian		
5.	Re-election of Mr. Tan Chee Hau		
6.	Re-appointment of Auditors		
7.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8.	Proposed Renewal of Share Buy-Back Authority for Purchase of its own Ordinary Shares		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Dated this ..... day of ..... 2024.

.....  
Signature(s) of member(s)



**Notes: -**

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 September 2024, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting for the meeting.

**Personal Data Privacy**

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 July 2024.

Please fold here to seal

AFFIX  
STAMP

The Company Secretary  
**LAY HONG BERHAD**  
Registration No. 198301011738 (107129-H)  
A3-3-8, Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
W.P. Kuala Lumpur

Please fold here to seal

Fold this flap for sealing



A3-3-8, Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
W.P. Kuala Lumpur  
Tel: 03 6413 3271  
Fax: 03 6413 3270

**[www.layhong.com.my](http://www.layhong.com.my)**