

ANNUAL REPORT 2025



**LAY HONG BERHAD**

(198301011738 (107129-H)) Incorporated in Malaysia



# OUR **MISSIONS**

## **TO PROMOTE**

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

## **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.

## **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.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Dato' Yap Hoong Chai

*Executive Chairman*

### Ng Kim Tian

*Executive Director*

### Tham Wei Mei

*Independent Non-Executive Director*

### Dato' Yeap Weng Hong

*Executive Director*

### Tan Chee Hau

*Independent Non-Executive Director*

### Yeap Fock Hoong

*Non-Independent  
Non-Executive Director*

### Dato' Yap Chor How

*Executive Director*

### Wong Soo Thiam

*Independent Non-Executive Director*

## 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 NO. 202008002451)

## AUDITORS

### Tai, Yapp & Co PLT

Lot 25-04-10 & 25-04-15, 4th Floor, Plaza Prima  
Batu 4 1/2, Jalan Kelang Lama  
58200 Kuala Lumpur, W. P. Kuala Lumpur  
T : 03 7983 0277

## 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

## PRINCIPAL BANKERS

Hong Leong Bank Bhd  
Al Rajhi Banking & Investment Corporation (M) Bhd  
Malayan Banking Bhd  
Bank of China (M) Bhd  
AmBank (M) Bhd

## 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

## REGISTERED OFFICE

DF2-09-02, Level 9, Persoft Tower  
6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya, Selangor Darul Ehsan  
T : 03 3008 1123 F : 03 3008 1124

## STOCK EXCHANGE LISTING

### Bursa Malaysia Securities Berhad

Main Market  
Stock Name : LAYHONG  
Stock No. : 9385

## WEBSITE

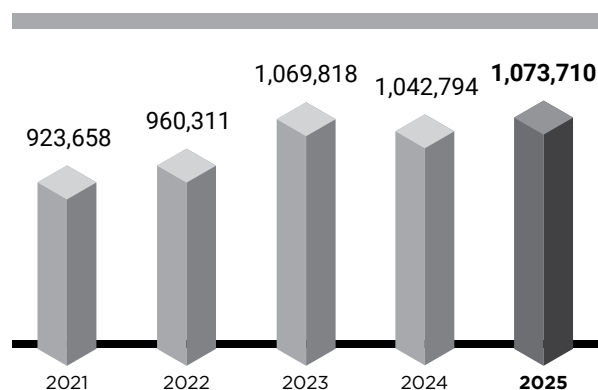
[www.layhong.com.my](http://www.layhong.com.my)



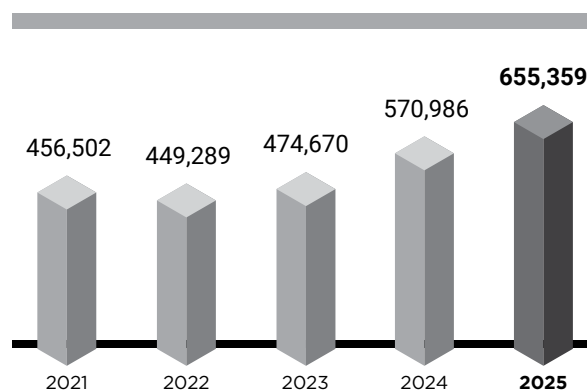
# GROUP FINANCIAL HIGHLIGHTS

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	1,073,710	1,042,794	1,069,818	960,311	923,658
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	173,285	180,529	98,877	65,125	65,384
Net profit/(loss) for the financial year	86,889	90,080	28,242	(2,660)	5,242
Profit/(loss) attributable to the owners of the Company	86,830	90,253	28,107	(4,030)	3,182
Total assets	1,099,236	1,053,569	952,200	947,654	944,278
Net assets (NA)	655,359	570,986	474,670	449,289	456,502
Share capital	180,337	175,323	173,633	173,633	145,621
NA per share attributable to owners of the Company (sen)	0.85	0.75	0.63	0.59	0.61
Basic earnings per share (sen)	11.50	12.18	3.80	(0.59)	0.48

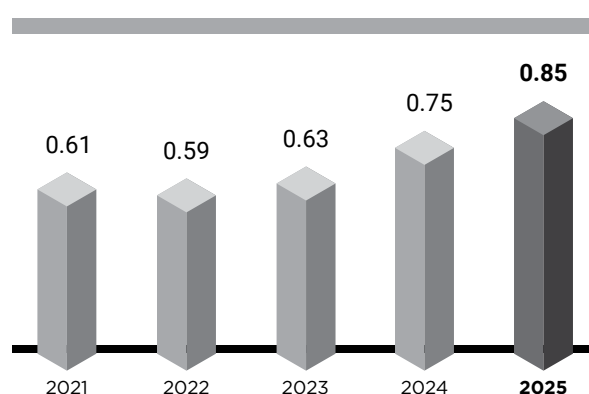
## REVENUE (RM'000)



## NET ASSETS (RM'000)

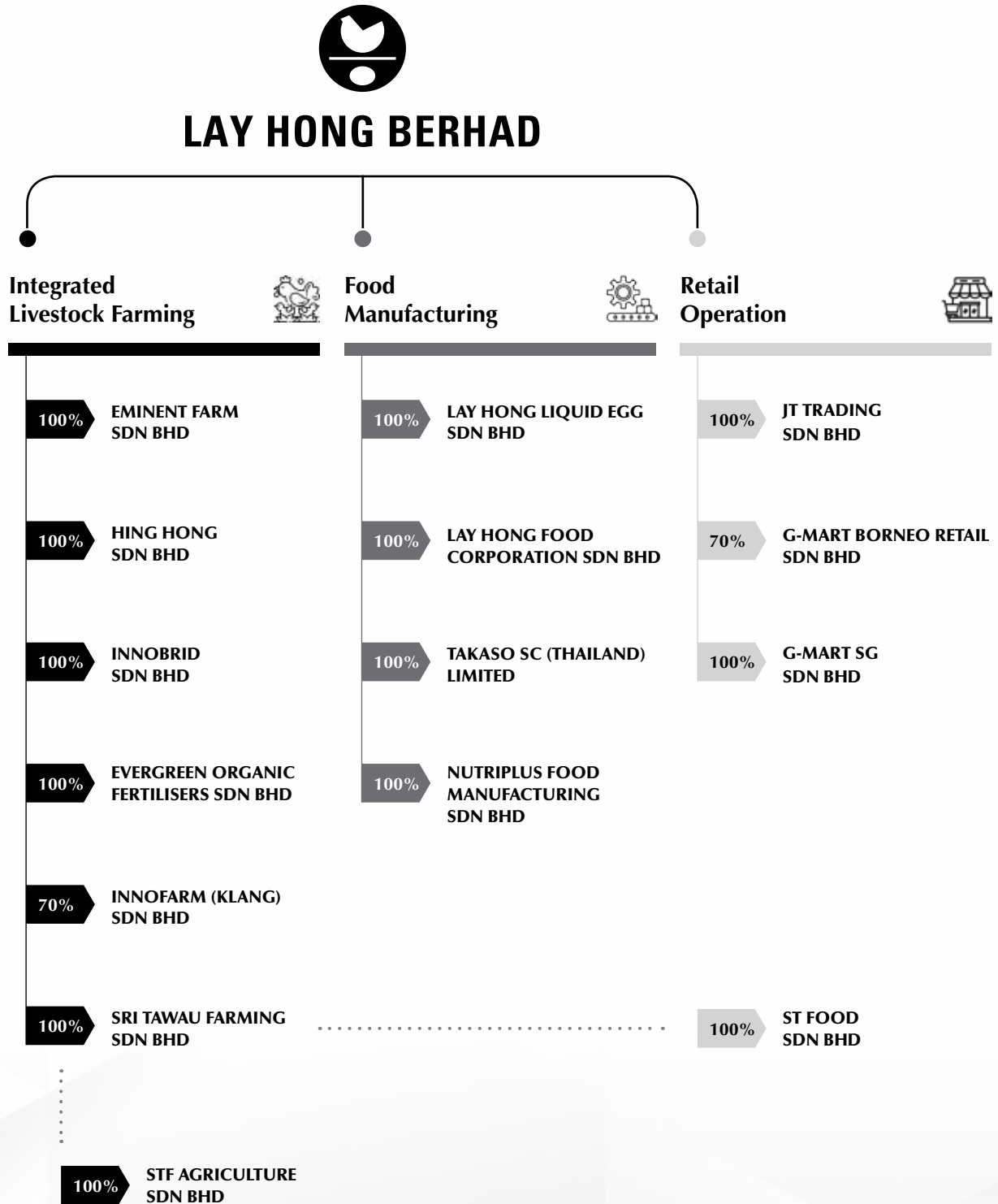


## NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)





# 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 their gratitude for your continuous trust and support. The Group is in the 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”) ended 31st March 2025 and the Group’s business expectations for the next FY.

## CORE BUSINESS

There has been no change to the Group’s core activities in FY2025, namely:



## EXTERNAL FACTORS

The prices of raw material consisting mainly Corn and Soya bean, have been favourable this year. Import prices have recorded a downward trend of approximately thirty percent (30%) from its high a year ago. Resulting from this savings in raw material cost plus the normalisation of chicken and egg supplies in the country, the government will cease its subsidy to farmers on 1 August 2025.

Several global matters impact Lay Hong, especially when they create instability in major trading currencies such as the US dollar and Euros. As a result, the cost of imported raw material especially corn, soya bean and vaccines are affected. These global issues include the higher tariffs imposed arising from the United States of America’s new President, the continuous conflicts in the Middle East and Russia’s invasion of Ukraine. In addition, the recent emergence of Avian Influenza (Bird Flu) H5N1 in certain countries, namely North America, Brazil and some Asia Pacific nations have disrupted the movement of poultry and poultry products to this part of the world.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### GROUP FINANCIAL RESULTS

	FY2025 RM'000	FY2024 RM'000
Revenue	1,073,710	1,042,794
Profit before tax ("PBT")	109,658	119,452
Profit/(loss) after tax ("PAT")	86,889	90,080
Total borrowings nett of cash	127,479	171,746
Shareholder funds attributable to owners of the Company	643,719	559,406
Share capital	180,337	175,323
No. of Shares ('000)	757,961	744,765
Gearing ratio (times)	0.19	0.30
Basic Earnings per share ("EPS") (sen)	11.50	12.18
Net assets per share attributable to owners of the Company (RM)	0.85	0.75

For the year under review, the Group's revenue has continued to be in excess of the RM1 billion mark. For this financial year, it marginally increased by 2.96% or RM30.92 million from RM1,042.79 million to RM1,073.71 million. The increase in revenue was primarily due to the increase in sales and production quantities in the downstream chicken products manufacturing section. The completion on the acquisition of the remaining 50% in NHF Food Manufacturing Sdn Bhd during the financial year plus the implementation of additional advertising activities contributed to the increased revenue.

PBT has recorded a decrease of 8.20% or RM9.80 million from RM119.45 million in 2024 to RM109.66 million in 2025. The decrease was mainly due to the winding down of chicken subsidy which was implemented since 1st November 2023 as well as higher selling and distribution costs.

### GROUP FINANCIAL POSITION

Total assets of the Group have grown from RM1,053.57 million in 2024 to RM1,099.24 million in 2025 due to continuing capital investment in our strategic livestock farming and food manufacturing businesses. Increasing cash flow derived from continuing profit had also contributed to this. Total net borrowings for the year under review, registered a reduction of RM28.29 million or 12.22% from RM231.43 million in 2024 to RM203.14 million in 2025 due to repayment of fixed expiring term loans. Cash and cash equivalent, short term money market fund and deposits in licensed banks on the other hand, has increased from RM59.69 million to RM75.66 million. After accounting for this, the Group's gearing improved from 0.30 times to 0.19 times. Earnings per share for the financial year has remained strong at 11.50 sen marginally, lower compared to 2024 at 12.18 sen. Likewise, Net assets per share attributable to owners of the Company has also improved from RM0.75 to RM0.85.

### CORPORATE EXERCISE

On 29th January 2024, the Company granted 10% of the issued and paid-up capital of the Company in the form of Employees Share Option Scheme (ESS) equivalent to 73,260,000 shares. To date of this report, 17,781,670 new ordinary shares had been exercised.





## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW

#### INTEGRATED LIVESTOCK FARMING

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

##### Layer

Revenue from table eggs has increased to RM213.54 million for FY2025 from RM195.86 million. This was due to higher productivity of table eggs arising from the normalisation on the availability of parent layer breeder stock and better farm management.

Revenue for the functional eggs branded under “NUTRIPLUS” was at RM94.72 million, 4% lower compared last year. Lower revenue was mainly contributed by lower quantity of eggs being produced and sold.

The number of layer farms (parent stock breeder and layer) owned by the Group in FY2025 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 FY2025, the Group harvested and sold a total of 23.03 million kilogram ("kg") of broilers compared to 21.59 million kg in the previous year. The higher quantity was due to the higher productivity resulting from the upgrade of an old farm located in Tanjung Karang, Selangor from deep litter method of rearing to full automation. Consistent with the increase in quantity, revenue had also increased in tandem by 7.97% from RM97.75 million in FY2024 to RM105.54 million in FY2025.

The number of broiler farms (Parent Stock Breeders and Broilers) owned by the Group are as follows: All the farms in Peninsular Malaysia and most farms in Sabah are Environmental Controlled Closed House type (ECH).

##### 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	Open House
6.	Sandakan, Sabah	210,000	ECH
7.	Bongawan, Sabah	50,000	ECH
8.	Keningau, Sabah	113,000	ECH
9.	Tamparuli, Sabah	240,000	ECH
		<b>4,141,000</b>	



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW (CONT'D)

#### FOOD MANUFACTURING

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

##### Chicken products

The division recorded a higher revenue of RM357.29 million for FY2025 compared to RM349.54 million in FY2024. Revenue increased primarily due to higher productivity and availability of raw material for manufacturing as evident from the higher production of broilers from the above Integrated Farming Segment plus the availability of additional capacity following the successful integration of the Pulau Indah Plant acquired from the Japanese joint venture partner.

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

##### 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 30% of the total eggs produced by the Group are pasteurised into liquid egg and sold to local industrial consumers plus export market.

In FY2025, this segment produced 8.27 million kg as compared to 8.53 million kg in FY2024. Production had decreased due to lower demand from confectioneries, bakeries and restaurants plus lower export sales. Competition from new players have also contributed to this lower demand.

The revenue generated from this segment was RM68.93 million compared to RM70.93 million 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	Location	Type	No. of Stores
1.	G-Mart	Supermarket	25
2.	MYSHOP	Retail shop	43
3.	JT Trading	Retail shop	4
<b>Total Stores</b>			<b>72</b>

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### BUSINESS REVIEW (CONT'D)

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#### RETAIL OPERATION (CONT'D)

Total revenue generated from the retail business was higher in FY2025 at RM233.83 million compared to RM229.77 in FY2024. The increase in revenue was due to the higher retail sales arising from the higher consumer patronage.

The Group currently operates 25 supermarket outlets branded under "G-Mart". These stores are large with a shopping area of between 20,000 to 40,000 sq ft. The revenue generated from these supermarket outlets continue to be stable.

The Group also operates 43 smaller outlets branded under "MyShop". These are 1 or 2 shop fronts with an area of approximately 3,000-5,000 sq ft and are located in small suburban areas, catering only to the local populace.

#### CAPITAL EXPENDITURE

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During the financial year under review, a total of RM66.12 million was spent on capital expenditure of which RM49.13 million was invested in the livestock farming business where 3 biogas plants were built, as well as the upgrade of an existing broiler chicken farm. Two of these biogas facilities are in Kuala Selangor situated in the vicinity of the group's farms and the other one is in Tamparuli, Sabah. The balance was expended on food manufacturing and retail business. The funds for the above were from a combination of bank borrowings and internally generated funds.

#### ANTICIPATED OR KNOWN RISKS

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##### 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 businesses in our retail segment were transacted strictly on cash terms only. Our customers have varying degrees of credit risk profiles which expose 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 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.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### ANTICIPATED OR KNOWN RISKS (CONT'D)

#### **Foreign Currencies Risk**

The Group's raw materials such as corn and soya bean are transacted in USD 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 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 takes the foreign currency risk upon themselves. The Group will pay a small premium on the risk passed 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**

A 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 the implementation of strict bio-security procedures and policies in all farms and diversifying its operations over different geographical areas. Presently, the Group's farm operations are in Perak, Selangor, Melaka and Sabah.

The Group has nearly completed the modernisation of all our farms to environment-controlled houses to minimize the impact of disease transmission, except for two old layer farms which are still open houses.

### FORWARD LOOKING STATEMENT

The Group is an integrated poultry farmer cum food manufacturer and retail store 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 organic fertilizer for sale and at the same time, conserve the environment. During the financial year, the Group has also embarked on three (3) biogas plants within the cluster of seven (7) large close house layer farms in Kuala Selangor to generate electricity to power the group's paper egg tray manufacturing operation. With these new facilities now operational, the group is partly able to resolve our chicken waste issue. With a big portion of the waste now being used as raw material for the biogas plant generation, the group is committed to ESG. In addition, as a cost saving measures, the Group has also completed the installation of photovoltaic panels at our downstream chicken manufacturing plant in Tanjong Karang which also addresses 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 our 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 our research and development in downstream chicken products to expand the existing range of chicken and egg products.

Since the feedstock (corn and soya bean meal) accounts for 70% of total cost, the management would continuously monitor its prices and seek alternatives to maintain/reduce cost without compromising on quality. To date of this report, the prices of major raw materials like corn and soya bean have been favourable and this will augur well for the Group going forward.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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

Due to the uncertainty of the world economy, conservation of cash flow is the key to survival in the event of a downturn. As a result, the Board of Directors has proposed and recommended to pay a final dividend of 0.4 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

Executive Chairman

Nationality	Aged	Gender
Malaysian	75	Male

**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' YEAP WENG HONG

Executive Director

Nationality	Aged	Gender
Malaysian	67	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.

## DIRECTOR'S PROFILE (CONTINUED)

### DATO' YAP CHOR HOW

Executive Director

Nationality	Aged	Gender
<b>Malaysian</b>	<b>48</b>	<b>Male</b>

**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 also Directors of the Company.

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

### NG KIM TIAN

Executive Director

Nationality	Aged	Gender
<b>Malaysian</b>	<b>71</b>	<b>Male</b>

**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)

### TAN CHEE HAU

Independent  
Non-Executive Director

Nationality	Aged	Gender
Malaysian	57	Male

**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.

### WONG SOO THIAM

Independent  
Non-Executive Director

Nationality	Aged	Gender
Malaysian	69	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.

## DIRECTOR'S PROFILE (CONTINUED)

### THAM WEI MEI

Independent  
Non-Executive Director

Nationality	Aged	Gender
Malaysian	58	Female

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

She is currently a member of the Audit, Remuneration and Nominating Committees.

With 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 Phnom Penh in Cambodia where she was a journalist and Assistant Bureau Chief for The Cambodia Times newspaper.

While in Cambodia, Madam Tham was also the principal writer in the publication of a United Nations newsletter, called The Peacekeeper. She 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 and acquisitions as well as other corporate exercises. She 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 all five (5) Board Meetings held during the financial year.

### YEAP FOCK HOONG

Non-Independent  
Non-Executive Director

Nationality	Aged	Gender
Singaporean	71	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 all five (5) Board Meetings held during the financial year.



## DIRECTOR'S PROFILE (CONTINUED)

### **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.*

**(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

Nationality	Aged	Gender
Malaysian	62	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

Nationality	Aged	Gender
Malaysian	38	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

#### 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.

Nationality	Aged	Gender
Malaysian	45	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.

## KEY SENIOR MANAGEMENT (CONTINUED)

### BONG KIM FUI

General Manager, Operation /  
STF Agriculture Sdn. Bhd.

Nationality	Aged	Gender
Malaysian	50	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.

Nationality	Aged	Gender
Malaysian	57	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 Relationships**

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) **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.

(3) **Conflict of Interest**

None of the key senior management have any conflict of interest or potential conflict of interest in any competing business with the Company and its subsidiaries.

# SUSTAINABILITY STATEMENT

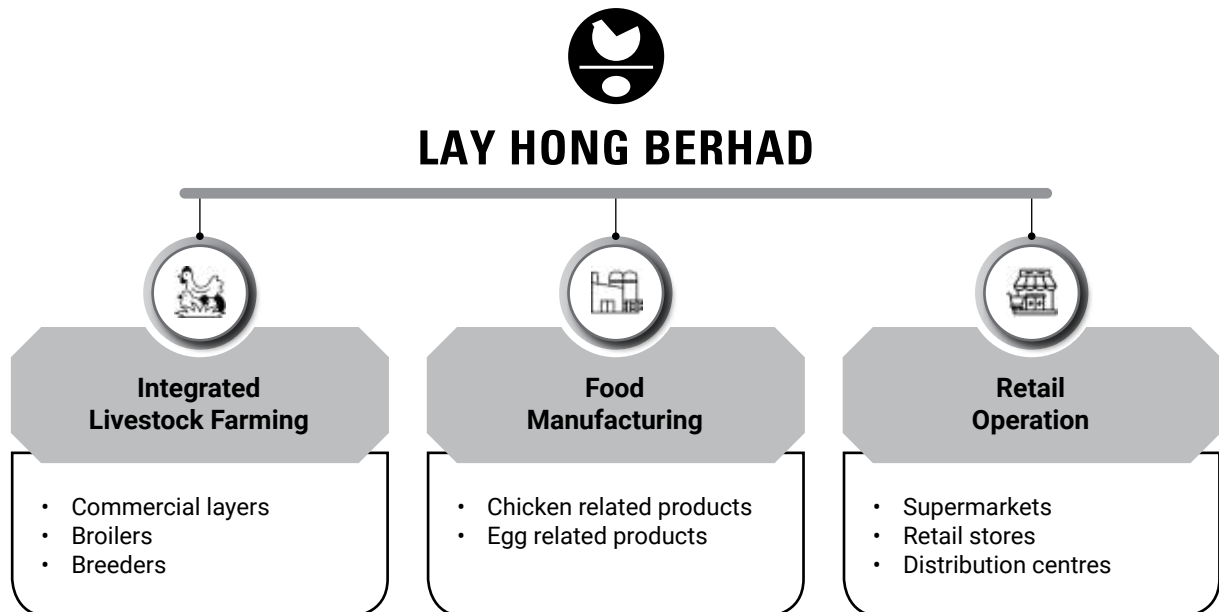
## ABOUT THIS REPORT

Lay Hong Berhad ("**Lay Hong**" or the "**Company**") and its subsidiaries (collectively known as the "**Group**") are pleased to present the Group's Sustainability Report for the financial year ended 31 March ("**FYE**") 2025.

This Report outlines the sustainability strategies, principles, initiatives, and performance of Lay Hong for FYE 2025. It highlights the key issues identified through our materiality assessment, which are of critical importance to our stakeholders. We provide updates on Lay Hong's sustainability initiatives across our key business units and operations, showcasing our progress made in fulfilling our commitments. These efforts reflect our ongoing commitment to fostering sustainable practices and creating long-term value for all stakeholders.

Our approach to sustainability has evolved over time, and we continuously refine and enhance our strategies. Sustainability is a dynamic and ongoing journey, and as we move forward, it remains central to our business practices, ensuring that we contribute positively to both people and the planet.

## OUR CORE BUSINESSES



## SCOPE AND BASIS OF REPORTING

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



## SUSTAINABILITY STATEMENT (CONTINUED)

### REPORTING FRAMEWORKS AND STANDARDS

This Report has been developed in accordance with Bursa Malaysia Securities Berhad ("**Bursa Malaysia**")'s Listing Requirements, with reference to:

- Bursa Malaysia Securities Berhad ("**Bursa Malaysia**")'s Sustainability Reporting Guide (3rd Edition)
- Listing Requirements of Bursa Malaysia [Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Notes 9 and 9A)]

### INDEPENDENT ASSURANCE

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

## OUR APPROACH TO SUSTAINABILITY

### SUSTAINABILITY FRAMEWORK

Lay Hong has strengthened its sustainability framework to align more closely with our business strategy, guided by the Group's vision and mission. This framework is designed to meet stakeholder needs, reduce our environmental footprint, and contribute positively to the communities in which we operate.

Our sustainability framework focuses on four key areas:

- Economic Sustainability
- Environmental Sustainability
- Social Sustainability
- Governance Sustainability

Within each of these areas, we are committed to achieving specific objectives by addressing concerns related to our material issues.

## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### SUSTAINABILITY FRAMEWORK (CONT'D)





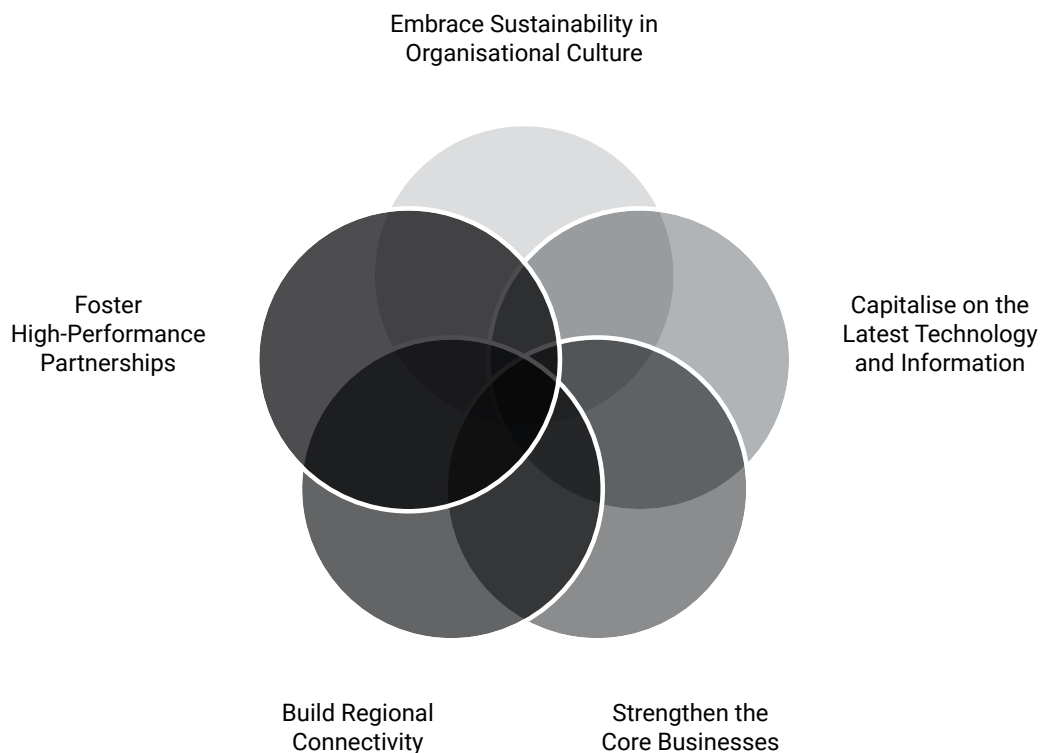


## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### SUSTAINABILITY POLICY

As our organisation grows, our commitment to sustainability has only strengthened. We have developed a clear company philosophy centred on sustainability, which now guides all decisions related to Lay Hong's economic and operational activities.

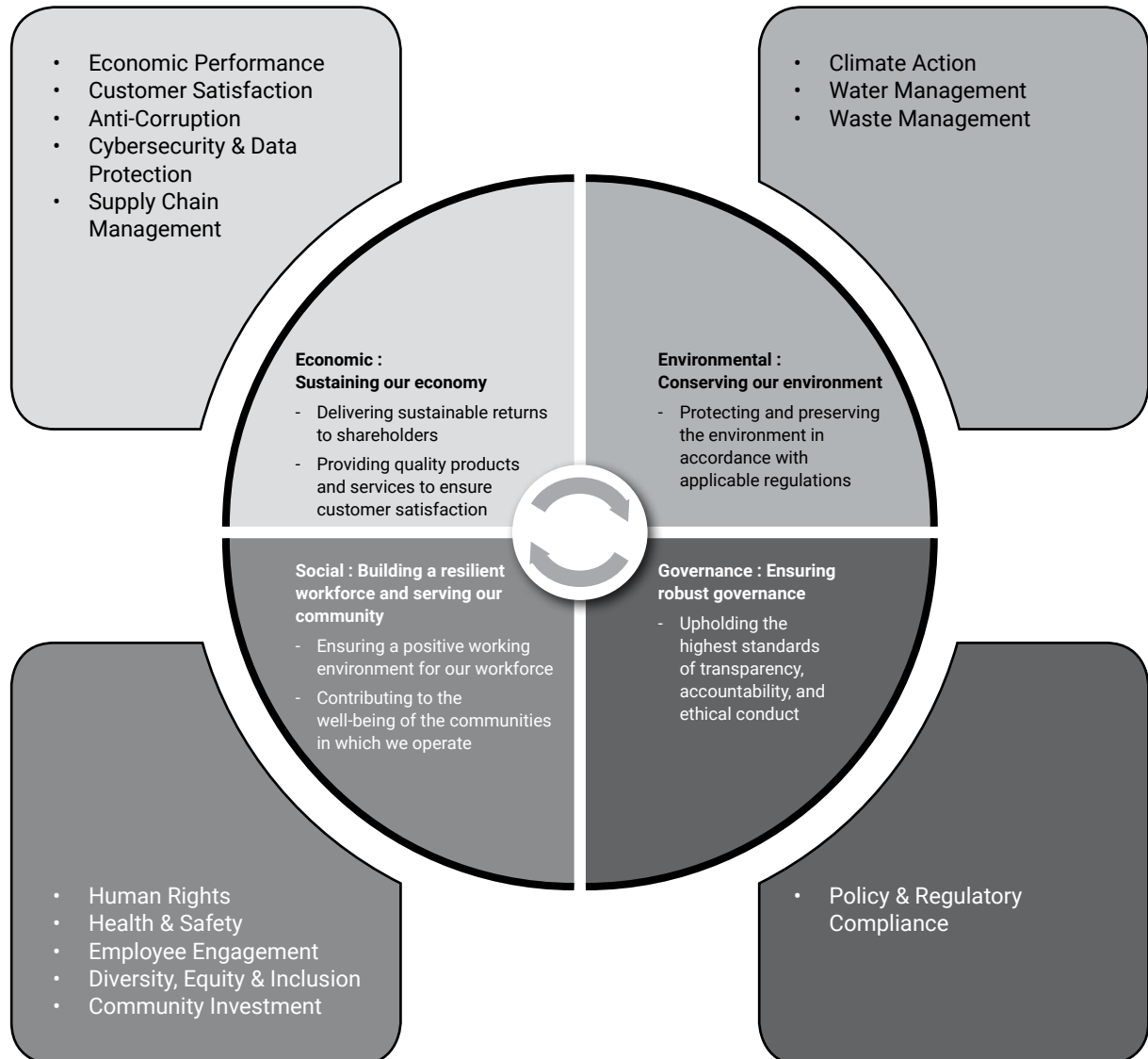


Sustainability has always been a fundamental part of the Group's culture, driving our pursuit of continuous growth and profitability within a safe, caring, and sustainable environment. As a responsible corporate citizen, our mission is to uphold strong governance standards across our business, promote responsible practices, minimise environmental impacts, and address the social needs of the communities where we operate.

## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### SUSTAINABILITY POLICY (CONT'D)





## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### SUSTAINABILITY GOVERNANCE

The Group is committed to the principle that integrity and ethics are fundamental to good governance. These values form the foundation for integrating sustainability goals into our decision-making, enhancing transparency, managing risks effectively, and ensuring long-term success.

The Board holds overall responsibility for the Group's sustainability strategy, supported by the respective Board Committees. This governance framework adopts a top-down approach, ensuring strong leadership and oversight across the organisation.

The Board evaluates key material sustainability matters that influence our initiatives. Based on these assessments, Senior Management is tasked with formulating and executing the relevant strategies and initiatives. They are also responsible for reporting progress and outcomes to the Board. Additionally, operating departments play a vital role in supporting Senior Management in the effective implementation of these sustainability initiatives.



## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### SUSTAINABILITY GOVERNANCE (CONT'D)

The Board's responsibility to promote and embed sustainability within the Group includes oversight of the following areas:

- Stakeholder engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to the Group
- Management of material sustainability risks and opportunities
- Communication of sustainability strategies, priorities, and targets, as well as performance against those targets, to internal and external stakeholders

#### STAKEHOLDER ENGAGEMENT

Our stakeholders play a vital role in Lay Hong's growth and progress. It is essential that we actively identify and understand their concerns and expectations. Our aim is to build strong, long-lasting relationships with all stakeholders by addressing their needs and minimising the impact of our operations, thereby contributing to a sustainable future.

We foster trust and mutual respect through regular stakeholder meetings, workshops, and other forms of engagement. These efforts help us stay informed about key societal issues and ensure our business strategy remains aligned with stakeholder expectations.

The table below outlines our key stakeholder groups, their areas of interest, and the methods through which we engage with them.

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREAS OF INTEREST OR CONCERN	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 plans</li> <li>• Return on investment</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>• Provide timely updates on the Group's strategy and financial performance via announcements</li> <li>• Uphold good governance practices across the Group</li> <li>• Monitor and report 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	AREAS OF INTEREST OR CONCERN	OUR RESPONSE
Government Agencies & Regulators	<ul style="list-style-type: none"> <li>Compliance with 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>Regularly review and monitor operations to ensure full compliance with regulatory requirements (i.e. Food Act 1983 &amp; Food Regulations 1985, Food Hygiene Regulations 2009, Department of Islamic Development Malaysia (JAKIM), Department of Environment (DOE))</li> <li>Implement strict food safety controls including Makanan Selamat Tanggungjawab Industry (MeSTI), Veterinary Health Mark (VHM), Hazard Analysis and Critical Control Point (HACCP), and Good Manufacturing Practices (GMP) certification</li> <li>Adopt best practices as outlined in the Malaysian Code on Corporate Governance</li> <li>Maintain required certifications such as Sijil Pendaftaran Pembuat Makanan Haiwan for feedmill, Malaysian Good Agricultural Practices (myGAP) for farms and Lesen Unggas for farms 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 training sessions</li> <li>Employee engagement surveys</li> <li>Employee engagement events</li> <li>Performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>Business growth and strategic direction</li> <li>Inclusive and supportive workplace</li> <li>Remuneration and benefits</li> <li>Career development and upskilling opportunities</li> <li>Occupational safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Promote transparent and consistent communication across all levels</li> <li>Provide equal employment opportunities and a non-discriminatory work environment</li> <li>Offer competitive remuneration and benefits packages</li> <li>Support career growth through relevant upskilling and training programmes</li> <li>Ensure full compliance with the Occupational Safety and Health Act (OSHA)</li> </ul>

## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREAS OF INTEREST OR CONCERN	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 surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction (i.e. affordable pricing, food safety, and high-quality products)</li> <li>• Customer experience</li> <li>• Innovative products</li> <li>• Consumer data privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Provide affordable, high-quality products</li> <li>• Ensure adherence to strict food safety and quality standards</li> <li>• Maintain robust food safety control measures</li> <li>• Comply with the Personal Data Protection Act 2010 to safeguard consumer information</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Quality audits on products and services</li> <li>• Contract negotiations</li> <li>• Supplier assessment and performance appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency in procurement processes</li> <li>• Business growth opportunities</li> <li>• Timely payment</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure transparent and fair procurement practices</li> <li>• Make timely payments in accordance with agreed credit terms</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 long-term likelihood</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in initiatives that enhance community well-being</li> </ul>
Analyst / Media	<ul style="list-style-type: none"> <li>• Media releases and media briefings</li> <li>• Financial reports and announcements</li> <li>• General meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent communication of business performance and key initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure clear and timely communication through official announcements and media engagement</li> </ul>





## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### MATERIAL MATTERS

As an organisation, we recognise that our material issues have both direct and indirect impacts on our ability to create long-term value for stakeholders. These material matters play a crucial role in shaping our business strategy and guiding the allocation of resources to address sustainability concerns that are important to both our stakeholders and our operations.

To ensure our materiality assessment remains relevant and aligned with our business priorities, we review it regularly. This ongoing evaluation allows us to remain responsive to shifts in the business environment and to continue creating sustainable value over the long term period.

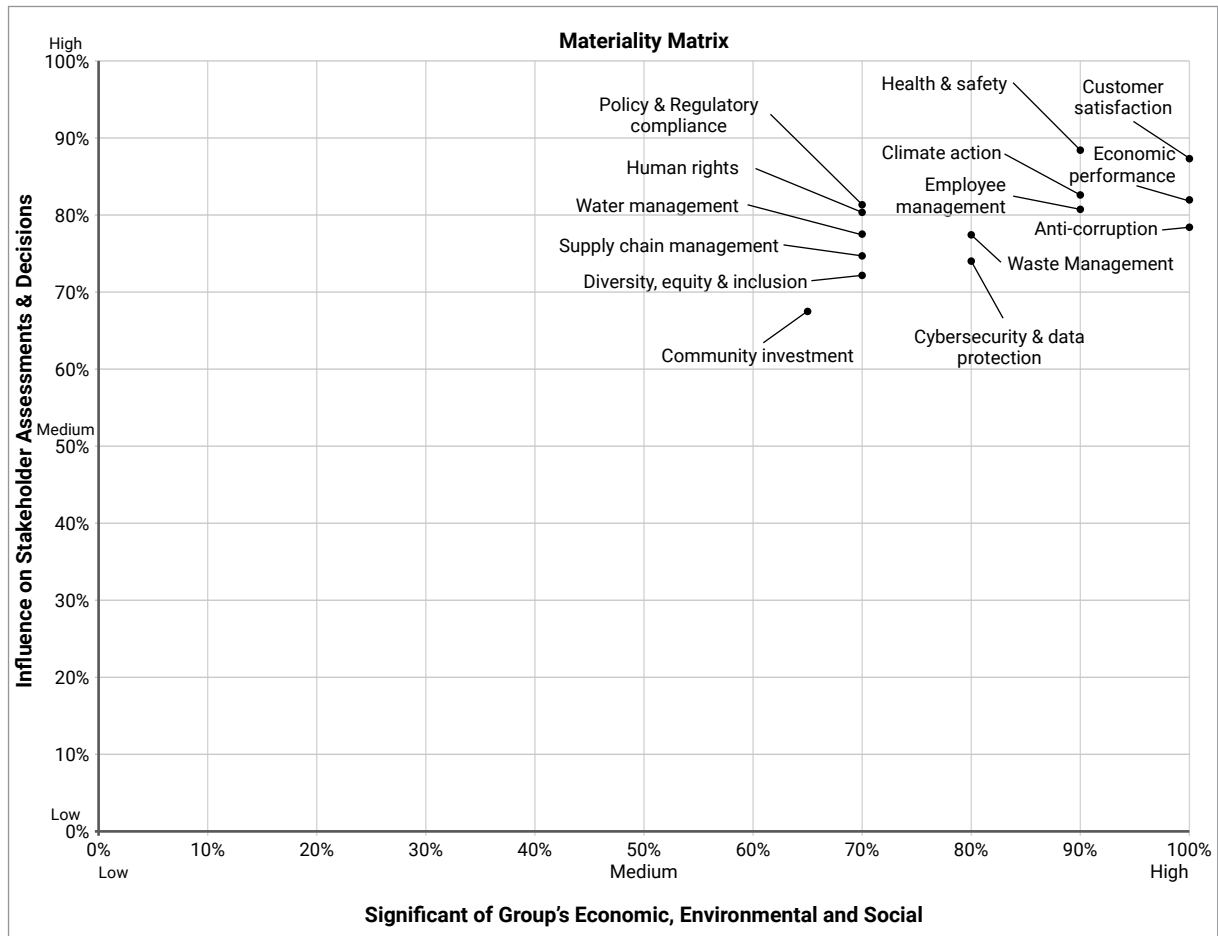
In the past year, we conducted an internal, limited-scale review to prioritise and rank the most relevant issues for our business and stakeholders. Looking ahead, we plan to carry out a more comprehensive materiality assessment, incorporating broader stakeholder engagement, and aim to publish the findings in our next report.

- **Review of material matters** - Conducted cross-functional deliberation sessions and reviewed sustainability matters.
- **Stakeholder engagement** - Engaged with key internal and external stakeholders to understand their needs and expectations, with reference to material matters.
- **Impact assessment** - Prioritised the sustainability matters from a business perspective, with representatives from various business functions.
- **Consolidation** - The consolidated results were tabulated, analysed and presented in the Materiality Matrix.
- **Review and approval** - Upon finalisation of the materiality assessment, it was presented to the Board of Directors for approval.

## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### MATERIAL MATRIX



#### RISK MANAGEMENT

At Lay Hong, we prioritise risk management as a fundamental element of our strategy to ensure long-term success and to build trust with our stakeholders. Our approach not only seeks to protect the organisation from potential risks but also aims to generate a positive and sustainable impact within the communities we serve.

To support this, we have developed a comprehensive risk management and internal control system that extends beyond financial controls. It encompasses operational and compliance controls to ensure all aspects of our business are effectively managed. This ongoing process enables us to systematically identify, evaluate, and mitigate risks. While it is impossible to eliminate all risks entirely, our objective is to minimise them and to continue meeting our business objectives with confidence and integrity.



## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### RISK MANAGEMENT

Material Matters	Risks	Opportunities
<b>Economic Performance</b>	Poor financial performance jeopardises business continuity and results in loss investment opportunities	Sustainable financial performance attracts investors and generates long-term value for all stakeholders
<b>Customer Satisfaction</b>	Failing to meet customers' expectations undermines customer confidence and loyalty, ultimately reducing revenue	Satisfied customers foster loyalty and promote repeat orders
<b>Anti-Corruption</b>	Corruption can tarnish reputation, cause financial losses, and reduce competitiveness	Strong governance to combat corruption enhances credibility and provides a competitive advantage
<b>Cybersecurity &amp; Data Protection</b>	Cyberattacks can result in unauthorised access, theft or exposure of sensitive data, causing financial loss, legal liabilities, and reputational damage	Robust cybersecurity measures build trust among customers, investors, and partners, enhancing reputation and brand value
<b>Human Rights</b>	Violations such as labour exploitation, discrimination, or unsafe working conditions can damage the organisation's reputation, leading to loss of stakeholder trust, negative public perception, and legal liabilities	Demonstrating commitment to human rights and ethical practices enhances reputation, builds stakeholder trust, and attracts socially conscious consumers, investors, and partners
<b>Health &amp; Safety</b>	Failure to address hazards can cause workplace accidents, injuries, or fatalities, resulting in human suffering, legal liabilities, and financial losses	Prioritising health and safety foster a culture of care, trust, and respect, boosting employee morale, motivation, and engagement
<b>Employee Management</b>	Difficulty attracting and retaining skilled employees can hinder growth and innovation, causing competitive disadvantages	Engaged employees are more productive, committed, and loyal, leading to higher job satisfaction, retention, and organisational success

## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
<b>Diversity, Equity &amp; Inclusion</b>	Exclusionary practices can cause alienation and disengagement among underrepresented groups, limiting collaboration, innovation, and productivity	Embracing diversity and equity creates an inclusive culture where employees contribute diverse perspectives, driving innovation and creativity
<b>Supply Chain Management</b>	Reliance on limited or single suppliers increases risks of disruption, quality issues, and price volatility, exposing the organisation to market changes or supplier behaviour	Building collaborative supplier relationships based on trust and transparency fosters innovation, cost savings, and competitive advantage
<b>Community Investment</b>	Failure to address social issues, economic disparities, and community grievances may lead to social unrest, protests, and opposition, causing operational disruptions, reputational damage, and regulatory scrutiny	Strategic community investment initiatives, philanthropic donations, and social programmes enable the organisation to tackle social challenges, support underserved communities, and contribute positively to poverty alleviation, education, healthcare, and sustainable development goals
<b>Climate Action</b>	<p>Increasing government regulations to reduce greenhouse gas emissions may require costly investments in emission reduction measures, or result in fines and penalties for non-compliance</p> <p>Climate-related disruptions such as extreme weather events or resource shortages can disrupt supply chains, raise production costs, and delay product delivery, impacting operations and profitability</p>	Demonstrating environmental stewardship and sustainability leadership allows the organisation to differentiate itself 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 disruptions caused by droughts, climate change, and other factors pose operational risks	Implementing water conservation measures, water-saving technologies, and sustainable water management practices improves efficiency, reduces 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 can lead to fines, penalties, legal liabilities, and reputational damage	Waste reduction, recycling, and proper disposal initiatives help recover valuable materials, conserve natural resources, lower raw material costs, reduce environmental impact, and promote circular economy principles
<b>Policy &amp; Regulatory Compliance</b>	Non-compliance with policies and regulations can lead to legal penalties, fines, or lawsuits, significantly affecting financial stability and reputation	Compliance with policies and regulations fosters trust and credibility among stakeholders, including customers, investors, employees, and regulators, strengthening long-term relationships and supporting business growth

### MANAGEMENT APPROACH FOR MATERIAL MATTERS

#### OUR RESPONSE TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In September 2015, all 193 United Nations member states adopted Agenda 2030, a comprehensive plan to address the world's key environmental, social, and economic challenges over the following 15 years. The agenda encompasses 17 goals and 169 targets focused on issues such as economic inclusion, geopolitical instability, resource depletion, environmental degradation, and climate change. Malaysia is committed to this agenda through its SDG Roadmap.

We fully support the SDGs and recognise their strategic importance to both our business and the wider world. As part of our long-standing commitment to ethical corporate citizenship and sustainability, we have established programmes aligned with these goals. While all the SDGs are relevant to our operations, we are already making significant contributions to many of them.

## SUSTAINABILITY STATEMENT (CONTINUED)

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

#### OUR RESPONSE TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) (CONT'D)



### ECONOMIC SUSTAINABILITY



#### ECONOMIC PERFORMANCE

##### Related UNSDGs:



At Lay Hong, our business success is driven by our commitment to generating lasting value for our stakeholders. Through financial growth, we create job opportunities, foster entrepreneurship, contribute to government revenues, and enhance local supply chains. We accomplish this by maintaining a strong presence in our key markets, leveraging cutting-edge technologies, tapping into the expertise of our employees to address changing consumer needs, and seeking new market expansion opportunities.

In FYE 2025, the Group generated an economic value of RM 1,085.3 million, an increase from RM 1,063.7 million in the previous year. The economic value distributed covered key areas such as operating costs, employee wages and benefits, payments to providers of capital, taxes, and community investments.



## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### ECONOMIC PERFORMANCE (CONT'D)

	FYE 2025 RM'mil	FYE 2024 RM'mil
<b>Economic value generated (i.e. revenue and other income)</b>	1,085.3	1,063.7
<b>Economic value distributed:</b>		
• <b>Operating costs</b>	836.6	805.9
• <b>Employee wages and benefits</b>	127.1	126.1
• <b>Payment to providers of capital (i.e. dividend and financing cost)</b>	18.0	14.5
• <b>Payment to government (i.e. tax)</b>	27.6	8.5
• <b>Community investment</b>	—*	—*
<b>Economic value distributed:</b>	76.0	108.7

\* Denotes amounts less than RM100,000

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.

#### CUSTOMER SATISFACTION

##### Related UNSDGs:



Lay Hong recognises that customer satisfaction and loyalty are critical to long-term success. To achieve this, we prioritise actively engaging with our customers through various channels, including in-person meetings, email, and our website, to gather valuable feedback and ensure we consistently meet high-quality standards across our products and services.

We consider our customers essential partners in innovation, leveraging their insights to drive continuous improvement and stay ahead of the competition. To manage our relationships effectively, we have implemented an impartial feedback mechanism that addresses customer concerns promptly. Additionally, our Customer Satisfaction Survey and regular interactions with key customers help us maintain strong service records and foster excellence in both products and services.

Our overall customer satisfaction score remained strong in 2025, maintaining a high level of 80%, consistent with the previous year. This rating reflects the percentage of customers who evaluated our egg-related operations as "Good" or "Excellent". Maintaining this high level of satisfaction underscores the Group's continued commitment to enhancing service delivery and strengthening relationships with our customers. This is a testament to our ongoing efforts to understand customer needs and exceed expectations across all aspects of our operations. We remain firmly focused on maintaining a customer satisfaction score of at least 80%, reinforcing our dedication to service excellence.

## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### CUSTOMER SATISFACTION (CONT'D)

	FYE 2025	FYE 2024	Target
<b>Customer Satisfaction Score</b>	80%	80%	80%

#### Product safety & quality

As a trusted provider of food products, we take our responsibility for consumer health and safety seriously. At Lay Hong, we are committed to producing wholesome, high-quality food by upholding strict food safety standards throughout our operations. We implement comprehensive quality control procedures and foster a culture that prioritises food safety at every stage of the production process.

Our commitment to excellence is further reinforced by internationally recognised certifications. Several components of our operations are accredited under the ISO 9001:2015 Quality Management System, the ISO 22000:2018 Food Safety Management System, and the Food Safety System Certification (FSSC) 22000 scheme. These certifications demonstrate our adherence to global benchmarks for quality assurance and food safety.

To systematically manage food safety risks, we have established comprehensive control measures, including risk assessments, hazard analyses, traceability systems, and hygiene protocols. We remain fully compliant with all applicable food safety and quality regulations. Among our key certifications are:



- **Veterinary Health Mark (VHM)** certification for chilled/frozen chicken, frankfurters, and liquid eggs
- **Hazard Analysis and Critical Control Point (HACCP)** certification for food processing
- **Good Manufacturing Practices (GMP)** certification for ready feed production and food processing
- **Makanan Selamat Tanggungjawab Industri (MeSTI)** certification by the Ministry of Health Malaysia for food processing
- **Malaysian Good Agricultural Practices (myGAP)** certification, demonstrating adherence to sustainable and safe farming practices







## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### CUSTOMER SATISFACTION (CONT'D)

We are equally committed to developing a competent and well-informed workforce. It is vital that our employees possess a strong understanding of the procedures and standards that underpin our food safety and quality management systems. As such, we invest in regular training on relevant topics, including ISO standards, HACCP, GMP, and food handling and safety. All relevant employees across our operations receive food safety and quality training from the Group at least once a year.

Importantly, during the financial year under review, none of our products were subject to recalls due to health or safety concerns, a reflection of the effectiveness of our food safety practices and our unwavering commitment to excellence.

	FYE 2025	FYE 2024	Target
<b>Number of recalls issued and total units recalled for health and safety reasons</b>	Nil	Nil	Nil

#### Biosecurity

In addition to our commitment to food safety and quality, we uphold stringent biosecurity measures across all our farming operations, including parent stock breeder farms, hatcheries, layer farms, and broiler farms. Effective farm management and strict biosecurity protocols are essential to ensuring healthy and hygienic poultry production.

We conduct regular audits to identify areas for continuous improvement and ensure that our operations comply with the Malaysian Good Agricultural Practice (myGAP) standards, as established by the Department of Veterinary Services under the Ministry of Agriculture and Food Security Malaysia. These standards provide a comprehensive framework for sustainable and biosecure agricultural practices, reinforcing our commitment to animal health, environmental stewardship, and food safety.

To further strengthen disease prevention efforts, we also participate in the Salmonella Control and Eradication Program (SCEP), a voluntary certification initiative aimed at controlling and eradicating Salmonella through structured biosecurity, monitoring, and hygiene practices. This program includes routine testing and reporting and plays a vital role in minimising foodborne risks, ensuring poultry health, and protecting public safety.

#### Halal certification

We are committed to ensuring peace of mind and safe consumption for all by maintaining full compliance with halal requirements across our products and processes. Our commitment to halal integrity covers hygiene, quality, and safety standards from sourcing through to distribution.

All our products are certified halal in accordance with the Malaysian Standard MS 1500:2019 and the Halal Certification Manual issued by the Department of Islamic Development Malaysia (JAKIM).

## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### CUSTOMER SATISFACTION (CONT'D)

##### *Halal certification (Cont'd)*

To further strengthen our halal governance, we have implemented the Halal Toyyiban Assurance Management System (HTAMS), with the following key objectives:

- To ensure the integrity of halal processing through continuous and consistent monitoring of compliance with Syariah (Islamic law).
- To uphold all requirements outlined in the Halal Assurance Management System of Malaysia Halal Certification by JAKIM.
- To ensure full adherence to MS1500:2019 – Halal Food: Production, Preparation, Handling, and Storage – General Guidelines (Second Revision), as developed by SIRIM.



This structured approach supports our mission to deliver halal-compliant products that are safe, hygienic, and of high quality, reinforcing consumer trust across all markets we serve.

##### *Innovation*

Innovation plays a crucial role in ensuring the long-term success and sustainability of Lay Hong's business. It acts as a forward-looking strategy that enables us to address increasing societal and environmental concerns proactively. At the same time, innovation opens the door to developing new and unique products and services that align with the changing preferences and needs of our customers.

A key example of our commitment to innovation is our air-chilled chicken processing facilities. By applying advanced technology, we help reduce the risk of cross-contamination during processing, supporting the delivery of chicken products that meet high standards of quality and safety. This method also aids us in maintaining and gradually improving important standards that contribute to our operational consistency and business continuity.

Beyond processing, we remain attentive to emerging technologies and biotechnological developments. We keep track of advancements in areas such as renewable energy, environmental sustainability, advanced materials, intelligent electronic systems, transportation, and food science. By staying informed about these innovations, we aim to enhance our processes, lower our environmental impact, and improve overall efficiency.

Our dedication to innovation and quality has been recognized through several prestigious awards. We were honoured with the BESTBRANDS Award for "Most Favourite Brand – Consumer Egg" by The BrandLaureate in 2016-2017. More recently, in 2022, our NutriPlus brand received the "The BrandLaureate WORLD PROMINENT BUSINESS BESTBRANDS Award" for Consumer Premium Processed Food, reinforcing our position in the premium food segment.





## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### CUSTOMER SATISFACTION (CONT'D)

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

Our products are marketed under two well-known registered trademarks, NutriPlus and Wise Choice, which reflect our commitment to quality and consumer trust. 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.



In addition to these recognitions, Lay Hong has consistently received regional awards and commendations from our valued business partners, cementing our reputation as a market leader in the food industry. Most notably, in 2023, Lay Hong was honoured at the Malaysian Livestock Industry Awards (MLIA) as an outstanding broiler farm. This prestigious accolade acknowledges individuals and companies that have made significant contributions to Malaysia's livestock sector. Selected by a panel of expert judges, the award highlights our innovation, adaptability, excellence in trade services, and best industry practices, demonstrating our unwavering commitment to advancing the livestock industry in Malaysia.

#### ANTI-CORRUPTION

##### Related UNSDGs:



At Lay Hong, we uphold the highest standards of business ethics and compliance, reflecting our core values and ensuring the protection of both the business and stakeholder interests. This commitment is vital in building trust and reinforcing confidence among all our stakeholders.

Guided by our Code of Conducts ("COC"), the Board and Management team are dedicated to conducting business with integrity. The COC establishes key ethical principles and guidelines for all employees, including Directors, to navigate ethical issues and fulfil their responsibilities. Our commitment to a zero-tolerance policy against corruption is outlined in our Anti-Bribery & Corruption ("ABC") Policy, which is regularly reviewed to ensure compliance with the Malaysian Anti-Corruption Commission (MACC) Act 2009.

## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### CUSTOMER SATISFACTION (CONT'D)

All new joiners undergo an induction programme where they are required to familiarise themselves with the Group's COC, 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.

To further strengthen transparency and accountability, we have implemented a whistleblowing channel in line with our Whistleblowing Policy. This confidential reporting system allows both employees and external stakeholders to report any concerns to immediate superior or via email or mail directly to the Audit Committee Chairman. All relevant policies, including the COC, ABC Policy, and Whistleblowing Policy, are made publicly accessible on our corporate website for the convenience of all stakeholders.

#### *Corruption-related training*

In 2025, we introduced our anti-corruption training program for all new recruits as part of the onboarding and orientation process, an important step in embedding ethical standards from day one. This initiative ensures that every new employee understands the importance of integrity and compliance with our anti-corruption and anti-bribery policies. Looking ahead, we remain committed to maintaining these high standards by providing ongoing training and fostering a culture of ethical behaviour across the organisation.

Employee Category	Completion Rate (%) FYE 2025
Management	1.2%
Executive	–
Non-executive/Technical staff	–
General workers	–

#### *Corruption incidents*

As of 31 March 2025, we recorded zero incidents of corruption across Lay Hong's business operations.

	FYE 2025	FYE 2024	Target
Number of complaints of bribery or corruptions reported	Nil	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.



## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### CYBERSECURITY & DATA PROTECTION

##### Related UNSDGs:



In the current digital era, cybersecurity is crucial for companies as they increasingly depend on technology, interconnected systems, and face increasingly sophisticated cyber threats. The risks to systems, data, and overall operations are substantial, highlighting the need for effective cybersecurity measures.

At Lay Hong, we are fully aware of these challenges and have taken comprehensive steps to mitigate risks and protect our assets. Our commitment to cybersecurity begins with ensuring that all systems and procedures across the Group are in full compliance with the Personal Data Protection Act 2010. This regulatory adherence is fundamental to safeguarding personal data and maintaining the trust of our stakeholders.

We continuously invest in data protection measures to address evolving cyber risks. Our cybersecurity framework includes essential safeguards like firewalls to block unauthorised access and security protocols to monitor and respond to suspicious activities. Our approach is practical and multi-layered, incorporating regular updates, risk assessments, and stringent access controls. We also provide ongoing IT Security Awareness training to ensure our employees stay informed about emerging threats and best practices for protecting both personal and company data.

Our employees undergo training that covers a wide range of topics, including cyberattacks, malware, phishing, and impostor scams, equipping them with the knowledge to effectively recognise and counter cybersecurity threats.

Lay Hong is committed to maintaining the highest standards of data security and privacy, prioritising the protection of personal data for our customers, employees, and stakeholders. We strictly adhere to the Personal Data Protection Act 2010 and regularly review our data privacy and security controls to ensure their effectiveness. We take reasonable steps to ensure data collection is lawful, transparent, and secure, and always obtain consent from customers before handling their data.

In FYE 2025, there were no reported complaints regarding breaches of customer privacy or losses of customer data.

	FYE 2025	FYE 2024	Target
<b>Number of substantiated complaints concerning breaches in customer privacy or data loss</b>	Nil	Nil	Nil

## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### SUPPLY CHAIN MANAGEMENT

##### Related UNSDGs:



At Lay Hong, trust, integrity, and transparency are fundamental in all our supplier relationships. As a responsible organisation operating in Malaysia and the broader region, we recognise our crucial role in supporting the local economy, particularly in helping small and medium-sized enterprises (SMEs) recover and grow. We are committed to fostering sustainable partnerships with our suppliers to promote the collective growth of our communities and regions.

Our commitment to ethical business practices extends throughout our supply chain, where we hold ourselves and our suppliers to the highest standards. We expect our suppliers to align with our core values, ensuring that fairness, accountability, and transparency guide their operations. We prioritise engaging suppliers who share our vision for quality, social responsibility, and environmental stewardship.

To uphold these principles, our procurement process is designed to engage suppliers who meet stringent ethical and operational standards. We carefully evaluate suppliers to build long-term, mutually beneficial relationships that contribute to sustainable business practices.



When starting any new project, identifying suitable suppliers is a key priority. The quality of service and product output are key factors considered during the tender or bid process. To ensure only the most suitable suppliers are selected, the Procurement Department utilises an internal checklist as part of the Supplier Registration Form.

Suppliers must not only demonstrate operational efficiency but also align with the Group's broader business goals. They are required to uphold environmental responsibility, a clean record of human rights and fair labour practices, and adherence to anti-corruption and anti-bribery standards. Additionally, suppliers must be free from any pending environmental issues. All suppliers are also expected to adhere to our Supplier Code of Conduct and the Non-Conformance policy in line with ISO 9001:2015 – Quality Management Systems. This rigorous selection process ensures we engage only those who meet our high standards, fostering strong, ethical partnerships.

Whenever possible, we prioritise sourcing products and services from local suppliers. This not only helps reduce transportation emissions and minimise our environmental impact but also provides local businesses with valuable opportunities for growth, employment, and development, strengthening the local economy.



## SUSTAINABILITY STATEMENT (CONTINUED)

### ECONOMIC SUSTAINABILITY (CONT'D)

#### SUPPLY CHAIN MANAGEMENT (CONT'D)

In FYE 2025, we allocated 95% of our procurement budget to engaging local suppliers, an increase from 90% in FYE 2024. We focused on those with a proven track record of reliability, high-quality service, and the ability to meet agreed-upon delivery schedules. This strategy allows us to support local businesses while maintaining the high standards of quality and service that are essential to our operations. Through these efforts, we continue to build long-term, ethical partnerships that contribute to both our success and the broader economic recovery of Malaysia.

	FYE 2025	FYE 2024
Proportion of spending on local suppliers	95%	95%

## ENVIRONMENTAL SUSTAINABILITY



### CLIMATE ACTION

#### Related UNSDGs:



The Group recognises the significant impact of our energy consumption and greenhouse gas emissions ("GHG") on climate change. As responsible corporate citizens, we are committed to minimizing our carbon footprint and actively embracing opportunities presented by the transition to a low-carbon economy.

#### Energy consumption

We are continuously enhancing our energy utilisation and efficiency through a range of initiatives, including:

- **Solar energy integration:** A 216kWp Photovoltaic Diesel Hybrid System has been installed at one of our layer farms, enabling the generation of renewable energy while maintaining energy reliability in off-grid or remote areas. In addition, our food processing plant now operates a 1,516kWp Solar Photovoltaic System, which contributes significantly to the plant's energy requirements. Solar energy now contributes to 4% of the total energy usage, reducing our reliance on non-renewable energy sources.



## SUSTAINABILITY STATEMENT (CONTINUED)

### ENVIRONMENTAL SUSTAINABILITY (CONT'D)

#### CLIMATE ACTION (CONT'D)



- *Energy-Efficient Office Practices:* We are actively transitioning to LED lighting and energy-efficient inverter air conditioners. To further reduce energy consumption, we implement lighting schedules, install motion sensors in low-usage areas, and conduct regular maintenance on electrical equipment. Additionally, we promote energy-saving habits among employees through awareness campaigns and reminders.
- *Energy-efficient equipment:* For new capital investments, energy efficiency will be a consideration when procuring equipment. We prioritise selecting equipment that minimises power consumption without comprising performance.
- *Regular Monitoring and Reporting:* Real-time monitoring systems are being implemented to track electricity consumption and identify areas for improvement.
- *Operational Enhancements:* We continue to optimise processes to minimise energy demand during peak operations, ensuring more efficient electricity usage.

This year, the total energy consumption from the grid recorded was 62,443 megawatt-hours ("MWh"), representing a decrease of 2.5% compared to the FYE 2024.

#### **Carbon emissions**

As part of our ongoing efforts to improve environmental sustainability, we have also begun tracking and monitoring GHG emissions. For the current reporting year, we will disclose only Scope 2 emissions, which cover emissions from purchased electricity across Lay Hong's operations in Malaysia, calculated using energy consumption (kWh) multiplied by the 2022 emission factor provided by the Energy Commission.

We acknowledge the importance of comprehensive emission reporting and are in the process of developing more robust data collection systems. Tracking of Scope 1 emissions (from fuel consumption and industrial gas usage) and Scope 3 emissions (from employee commuting and business travel) will commence in the coming years.

This phased approach will enable us to establish a clearer understanding of our overall impact and support the setting of meaningful carbon reduction targets as part of our long-term sustainability strategy.

#### **Total Emissions by Scope (tCO<sub>2</sub>-e)**

**FYE 2025**

#### **Scope 2 – Indirect emissions from the electricity consumption from the grid**

47,332





## SUSTAINABILITY STATEMENT (CONTINUED)

### ENVIRONMENTAL SUSTAINABILITY (CONT'D)

#### WATER MANAGEMENT

##### Related UNSDGs:



The escalating issue of water scarcity is a growing concern, driven by factors such as climate change, inadequate water management, and environmental contamination. As water cuts and shortages become increasingly common, the Group is committed to mitigating this risk by adopting efficient water management strategies across all our operations.

Water usage varies depending on the size of operations and specific process requirements. Nonetheless, we actively seek to optimise water consumption and minimise waste through recycling and the implementation of efficient water management practices.

We are dedicated to promoting water conservation and raising employee awareness on responsible water use across all our premises and sites.

Our key initiatives include:

- Rainwater harvesting systems installed at our farms to reduce reliance on municipal water supplies
- Regular inspections and scheduled maintenance of toilets, pantries, and other water fixtures to minimise wastage
- Installation of modified water taps with lower flow rates at office premises to reduce water usage
- Launch campaigns and training programmes to encourage water-saving behaviour among employees, particularly in high-use areas such as livestock washing stations and food prep zones.

In FYE 2025, the Group consumed 1.5 megalitres of water, which was higher than water usage in FYE 2024 of 1.3 megalitres. While water usage increased, we remained committed to using water efficiently and maintaining our focus on sustainable practices.

#### WASTE MANAGEMENT

##### Related UNSDGs:



At Lay Hong, we place great emphasis on responsible waste management as a key component of our environmental stewardship and our commitment to the communities in which we operate. As an integrated livestock farming and food manufacturing company, our diverse operations generate a variety of waste types, including hazardous materials and non-hazardous waste such as organic waste, domestic refuse, and recyclable materials.

## SUSTAINABILITY STATEMENT (CONTINUED)

### ENVIRONMENTAL SUSTAINABILITY (CONT'D)

#### WASTE MANAGEMENT (CONT'D)

Improper disposal of waste poses serious environmental risks, including water and air pollution, soil degradation, and health hazards for both employees and surrounding communities. In recognition of these risks, we proactively implement comprehensive waste management practices across all our operations.

Our waste management activities comply with the regulations set by the Department of Environment (“DOE”). We ensure compliance through systematic monitoring and management of scheduled waste, including engaging licensed contractors to transport such waste to DOE-approved treatment and disposal facilities.

In our livestock farming operations, waste from poultry and other animals is treated and recycled into organic fertiliser using the Harmless Bio-fermentation System DZR-50. This practice not only minimises environmental impact but also supports sustainable agriculture by reducing the reliance on chemical fertilisers.

In addition to composting, we have also implemented a biogas energy system that transforms poultry dung into a renewable source of energy. Through anaerobic digestion, chicken waste is converted into biogas, which is then used to generate electricity for our operations. This closed-loop system not only helps reduce greenhouse gas emissions and manage waste efficiently but also enhances energy self-sufficiency and reduces our carbon footprint.

Meanwhile, our food manufacturing plants are equipped with proper waste treatment systems to ensure that effluents and by-products are managed responsibly and do not harm the environment.

We are also mindful of pollution risks associated with wastewater discharge. As such, we have implemented strict measures to ensure that all wastewater generated from our sites complies with regulatory standards before it is released. Effluent quality is regularly monitored and reported to the DOE to uphold compliance.

At our administrative and support facilities, most of the waste generated is general in nature. To minimise this, we have introduced waste reduction and awareness initiatives among employees, such as promoting digital workflows to reduce paper usage, encouraging reuse of materials, and implementing waste segregation practices for recyclable and non-recyclable items.

	FYE 2025 MT
<b>Total waste directed to disposal</b>	3,249



## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY



#### HUMAN RIGHTS

##### Related UNSDGs:



The Group is dedicated to protecting the rights and well-being of every employee, recognising the invaluable contributions they make to our success. We are committed to fostering a workplace in which every individual is treated with dignity, respect, and fairness. Our Board and Management play a pivotal role in setting the ethical standards that underpin our operations, ensuring our commitment to human rights is embedded throughout the business.

We are firmly committed to maintaining a safe and healthy working environment, where the right to fair and decent work is upheld. We actively promote freedom of association, equal opportunity, and a workplace free from all forms of discrimination. These core principles are central to building an inclusive and supportive environment for all employees.

In 2025, a comprehensive review was conducted to ensure full compliance with the revised minimum wage requirements under Malaysian labour law. This assessment involved analysing the basic salaries of our employees against the national minimum wage standards. We are pleased to report that our compensation practices across all operating sites in Malaysia meet or exceed the mandated minimum wage thresholds. This reflects our strong commitment to legal compliance and to ensuring fair, lawful, and equitable treatment for all our employees throughout the Group.

##### ***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:

##### **Leaves**

Annual leave, sick leave, hospitalization leave, marriage leave, maternity leave, paternity leave, compassionate leave

##### **Insurance Coverage**

Hospitalization and surgical insurance, personal accident insurance.

##### **Wellness Benefits**

Outpatient, health screening, family medical benefit (manager and above)

## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

#### HUMAN RIGHTS (CONT'D)

##### *Respecting foreign worker rights*

We are firmly committed to upholding the rights, welfare, and dignity of all foreign workers employed in our operations, including those engaged through contractors and subcontractors. Our approach is rooted in fairness, legality, and ethical responsibility.

In Malaysia, we ensure full compliance with all relevant legislation governing the employment and welfare of foreign workers. These include:

- **The Employment Act 1955**, which provides comprehensive protection for employees, including foreign workers, and prohibits exploitative practices such as child labour.
- **The Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446)**, which mandates adequate living conditions and essential amenities for foreign workers, ensuring their housing meets regulatory standards.
- **The Occupational Safety and Health Act 1994 (OSHA 1994)**, which outlines the duty of employers to provide a workplace that is safe and free from health hazards.

We continuously monitor our practices and those of our contractors to ensure alignment with these regulations and to uphold our corporate values of respect, inclusiveness, and responsibility. Through these efforts, we strive to create a secure, fair, and supportive environment for all workers across our operations.

##### *Access to grievance mechanisms*

We have established a mechanism to receive, document, and address complaints or grievances. This mechanism is accessible to all individuals, both internal and external to our organisation, who wish to raise concerns regarding potential misconduct. It provides a confidential and transparent channel through which individuals can express their concerns.

Our employees are fully informed about the grievance handling procedures and the Whistleblowing Policy. We are committed to the prompt and effective resolution of any breaches of policy or inappropriate behaviour.

Furthermore, we prioritise ensuring access to remediation and redress for victims of human rights violations. Our objective remains the complete elimination of socio-economic non-compliance incidents within our operations.

	FYE 2025	FYE 2024	Target
<b>Number of substantiated complaints concerning human rights violations</b>	Nil	Nil	Nil



## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

#### HEALTH & SAFETY

##### Related UNSDGs:



In our commitment to fostering a sustainable and safe organisation, Lay Hong places strong emphasis on employee health and safety. We are resolute in our goal to eliminate unsafe practices and to promote a proactive “safety-first” culture within the workplace. At Lay Hong, health and safety are fully integrated into our daily operations, becoming an essential part of our organisational practices.

By enforcing rigorous safety procedures, we safeguard the physical well-being of our on-site employees and actively promote mental health awareness. Our aim is to achieve zero fatalities and to significantly reduce our Lost Time Injury Rate (“LTIR”).

##### **Safety-first culture**

- **Regulatory Compliance:** Lay Hong adheres strictly to all relevant local laws and regulations governing occupational safety and health, including the Occupational Safety and Health Act 1994 and the Malaysia Employment Act 1955. These legal frameworks underpin our internal Occupational Safety and Health Policy, reinforcing our commitment to fostering a culture of safety and well-being for all employees. The guidelines outlined in these policies are consistently communicated across all levels of the organisation to ensure full compliance and uphold safety standards in our integrated livestock farming and food manufacturing operations.
- **Personal Protective Equipment (PPE):** We ensure that all employees engaged in livestock farming activities and food manufacturing processes are provided with appropriate personal protective equipment to safeguard their health and safety. This includes gloves, safety goggles, steel-toed boots, face shields, and specialised protective clothing suitable for handling animals, biological materials, and food processing equipment. The PPE is designed to prevent injuries from physical hazards such as animal handling, exposure to biological agents, and machinery operation. Additionally, all farm visitors must undergo safety and health briefings as well as biosecurity screenings to ensure awareness of safety protocols before entering the farm. All PPE is regularly inspected, maintained, and replaced as needed to ensure it remains effective, minimising risks and promoting a safe working environment.
- **Leadership Commitment:** Our Senior Management team plays a pivotal role in reinforcing the importance of health and safety across all operations. They lead by example, setting the tone for the organisation and actively participating in safety initiatives specific to integrated livestock farming and food manufacturing. This includes hosting regular safety meetings, conducting safety audits, and providing visible leadership and support for all safety-related efforts. Their involvement ensures that safety is embedded in the company’s culture and is a key focus of our operational practices.
- **Positive Reinforcement:** To continuously improve our occupational safety performance, we have established clear objectives and targets, with ongoing monitoring of key performance indicators (“KPIs”). A structured recognition programme has been implemented to acknowledge employees who consistently follow safety protocols and demonstrate commitment to maintaining a safe working environment. This positive reinforcement not only motivates employees but also encourages a continuous improvement approach toward workplace safety in our livestock and food manufacturing operations.

## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

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

##### *Safety & health upskilling*

We believe that training is fundamental to building a safety-conscious workforce. We provide comprehensive safety training to all employees, equipping them with the skills and knowledge necessary to work safely. The training covers a broad range of topics, including basic safety protocols, emergency preparedness, machinery safety, and the specific risks associated with integrated livestock farming and food manufacturing.

In 2025, 571 employees participated in safety training programmes. This training is reinforced by regular safety moments and daily safety inductions. Beyond formal sessions, employees also take part in weekly toolbox meetings, where safety hazards and risky behaviours are discussed to maintain safety as a top priority.

	FYE 2025	FYE 2024
<b>Number of employees trained on health and safety standards</b>	571	1,245

Through these efforts, we aim to foster a culture of safety in which employees are not only aware of potential hazards but are also equipped with the knowledge and skills to mitigate them effectively. In addition, we have implemented a comprehensive feedback loop to capture employee concerns and suggestions, enabling us to continuously enhance and refine our health and safety practices.



Hazard Assessment Training



Monthly Safety Briefing

##### *Safety & health reporting*

We prioritise the health and safety of our employees through vigilant reporting and effective response mechanisms. Lay Hong has established an incident reporting platform that enables employees to confidentially report accidents, near misses, and unsafe conditions. This system ensures that all incidents are recorded, investigated, and treated as opportunities for learning and continuous improvement of our safety protocols.



## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

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

##### *Safety & health reporting (Cont'd)*

In 2025, we maintained a strong focus on transparency in our health and safety reporting, with key metrics being closely monitored and reviewed.

Employee Category	FYE 2025	FYE 2024
Total hours worked	2,956,944	2,976,770
Number of fatalities	Nil	Nil
Number of lost time injuries	10	11
LTIR	0.68	0.74

#### DIVERSITY, EQUITY & INCLUSION

##### Related UNSDGs:



At Lay Hong, embracing diversity in its many forms is a strategic imperative that enriches our workplace culture and drives operational success. We recognise that diversity encompasses a wide range of attributes, including race, gender, ethnicity, age, religion, cultural beliefs, disabilities, and sexual orientation. By valuing the unique talents and perspectives of each employee, we unlock a broad spectrum of benefits that enhance decision-making, problem-solving, and overall innovation.

Our commitment to diversity extends beyond acknowledgment; we actively incorporate diverse viewpoints into our daily operations and decision-making processes. This inclusive approach fosters creativity and promotes a collaborative environment where employees feel empowered to share their ideas. In doing so, we gain a competitive edge and further our pursuit of operational excellence.

Lay Hong is dedicated to maintaining a fair, equitable, and inclusive workplace that is free from discrimination, marginalisation, and harassment. We uphold robust policies and practices that promote equal opportunity and respect for all employees, ensuring that every individual has the chance to succeed based on merit.

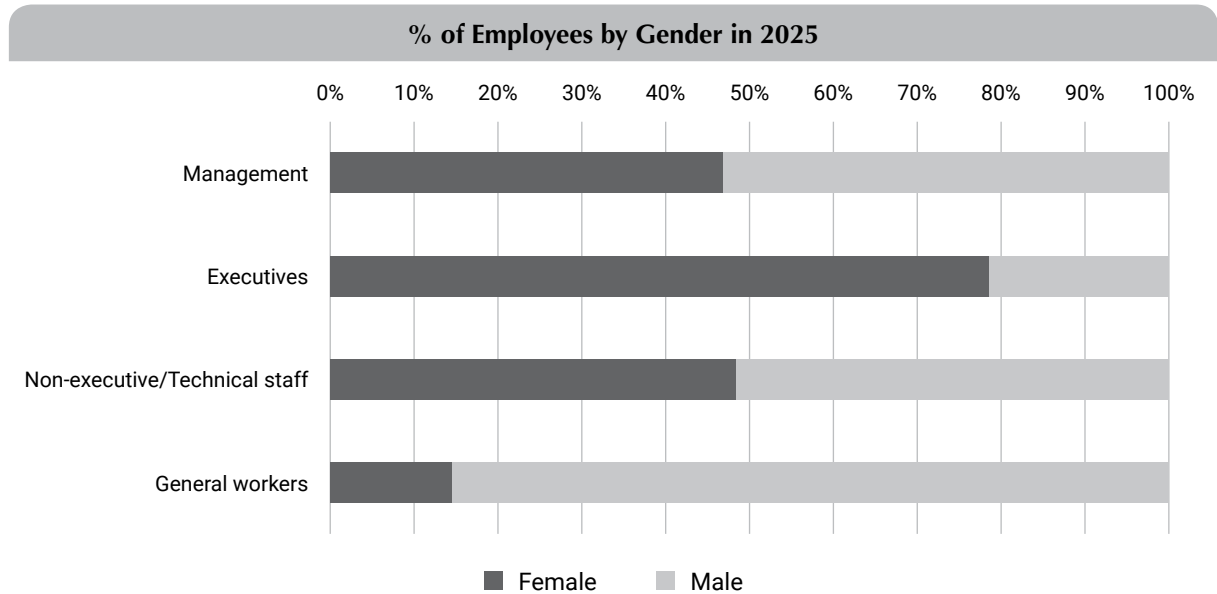
In line with our commitment to equality, we ensure that wages are competitive and free from gender bias. Career progression, performance assessments, and rewards are based on merit and objective performance indicators, ensuring fairness in all decisions related to promotion and recognition. We remain committed to recognising individual achievements and offering equal opportunities for growth and development across all levels of the organisation.

As of 31 March 2025, Lay Hong employed a total of 2,801 individuals, with 33% of our workforce being female and 67% male. While this gender distribution is reflective of industry norms, particularly in labour-intensive roles that are traditionally male dominated, we are pleased to note that women comprise 52% of our workforce when general workers category is excluded. This achievement highlights our continued efforts to foster gender diversity and equality across all levels and functions of the organisation.

## SUSTAINABILITY STATEMENT (CONTINUED)

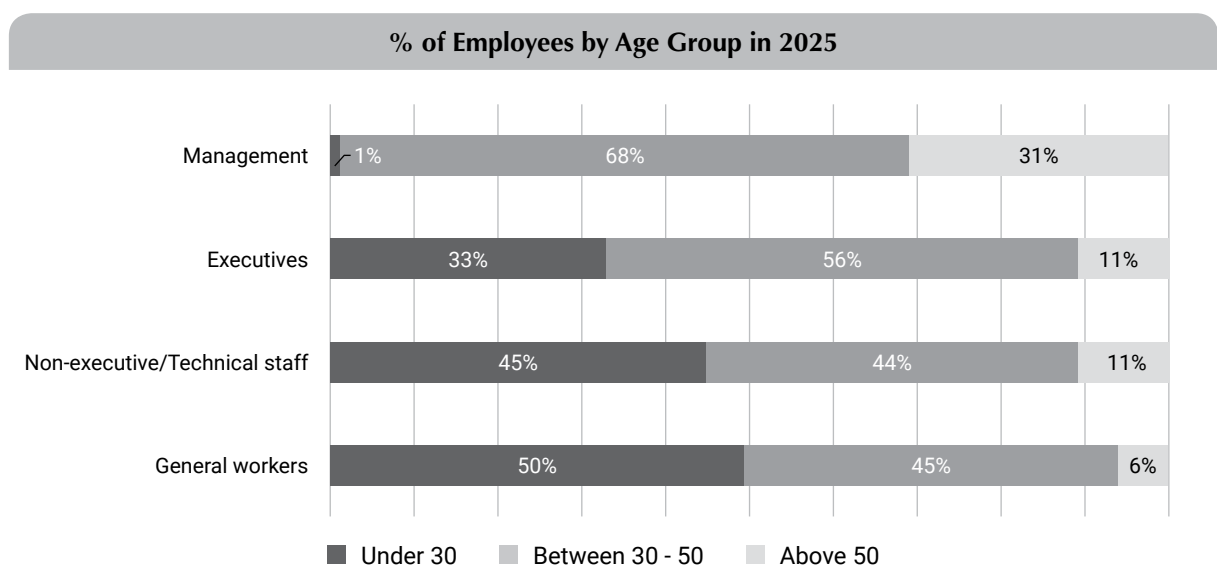
### SOCIAL SUSTAINABILITY (CONT'D)

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



The age distribution of our workforce in 2025 demonstrates a diverse and balanced composition across all levels of the organisation. Management is predominantly comprised of individuals aged 30–50, accounting for 68% of the group. This provides a foundation of strong leadership, supported by a depth of industry knowledge and experience.

Our executive and technical workforces are comparatively younger, with a notable concentration in the under-50 age range. This balanced age profile promotes innovation, adaptability, and effective knowledge transfer, contributing to a dynamic, agile, and future-ready organisation.







## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

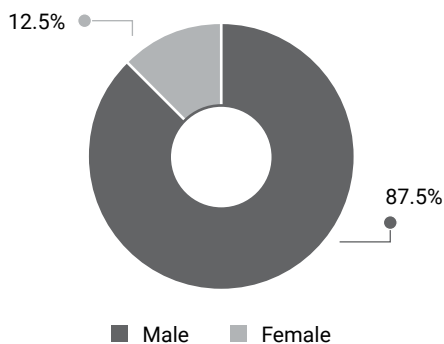
#### DIVERSITY, EQUITY & INCLUSION (CONT'D)

Lay Hong is committed to nurturing local talent, with 67% of its workforce comprising residents from the countries in which it operates. By prioritising local recruitment, the Company not only supports the local economy but also fosters cultural alignment and a strong sense of community within its workforce. Lay Hong's diverse talent pool includes individuals of Malay, Chinese, Indian, and other ethnic backgrounds, reflecting the rich multicultural fabric of the regions it serves.

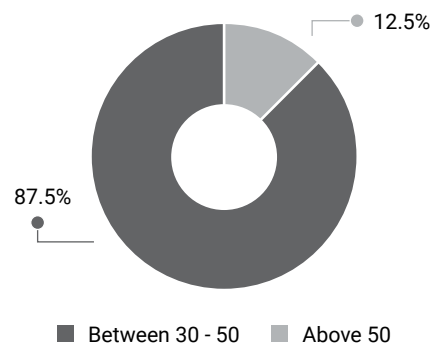
The remaining 33% of the workforce primarily consists of foreign workers employed as general workers, which is common in the industry due to the labour-intensive nature of operations and limited availability of local manpower for such roles.

The Board of the holding company currently comprises one woman among its eight members. The Board has expressed the view that, given the Group's business status and lifecycle, prioritising the right mix of skills on the Board is more critical than strictly meeting the 30% threshold set out in Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG). Nevertheless, there remains a firm commitment to achieving gender balance in senior management, the boardroom, and across the wider workforce. Accordingly, the Board is actively seeking potential female Directors and intends to appoint additional women Directors as suitable candidates are identified. Furthermore, efforts will be made to explore ways to enhance gender balance in today's workplace.

**Board Gender Diversity in 2025**



**Board Age Diversity in 2025**



#### EMPLOYEE MANAGEMENT

##### Related UNSDGs:



We recognise that our greatest assets are our employees, and our commitment to their well-being is unwavering. We understand that a successful organisation is built upon a workforce that feels valued, empowered, and respected. By fostering a safe and healthy working environment, we are dedicated to ensuring that all employees have equal access to resources, benefits, and opportunities for skill development and career progression. This commitment not only supports individual growth but also drives sustainable business success. Through these efforts, we strive to create a dynamic and thriving workplace where both our people and our Company can flourish.

## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

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

##### Talent Management Framework



##### *Talent acquisition & onboarding*

We are committed to fostering the professional growth of our workforce by providing ample opportunities for career advancement within the company. Our focus is on maximising the potential of internal talent, ensuring team members have the necessary resources and support to thrive in their roles.

When internal promotion is not feasible, our Human Resources team utilises a range of assessment tools and methodologies to conduct a fair and thorough recruitment process. We strive to select candidates whose skills, experience, and values align with the role requirements and the company's broader objectives, attracting individuals who can make a positive impact on our mission.

All new hires benefit from a comprehensive and consistent onboarding programme, which incorporates personalised one-to-one support to facilitate a smooth and effective transition into the organisation.

##### *Upskilling & reskilling*

Empowering our employees to excel is integral to the growth and success of the Group. To support this, we provide continuous learning opportunities that foster both personal and professional development, enabling our workforce to stay ahead in an ever-evolving industry landscape.

In 2025, we continued to prioritise investment in training and development programmes, leveraging both in-person and online platforms. A total of 7,970 hours were dedicated to internal and external learning and development initiatives. Although the average training hours per employee decreased from 5.5 hours to 2.9 hours, the average for managers increased significantly, from 3.3 hours to 7.4 hours, reflecting our continued focus on strengthening leadership capabilities and enhancing managerial effectiveness.



## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

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

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

Employee Category	Total hours of training FYE 2025	Total hours of training FYE 2024
Management	600	315
Executive	1,049	2,715
Non-executive/Technical staff	3,021	5,421
General workers	3,300	6,158
Total	7,970	14,609

	Average training hours per employee FYE 2025	Average training hours per employee FYE 2024
Management	7.4	3.2
Executive	6.4	19.7
Non-executive/Technical staff	2.7	5.0
General workers	2.3	4.5
Overall	2.9	5.5

##### **Performance management & compensation**

We are dedicated to fostering a culture of results-driven performance, accountability, collaboration, and shared success. These core values guide our approach to both individual and team performance, helping us achieve meaningful outcomes, take responsibility for our actions, work cohesively, and celebrate collective accomplishments.

We believe in recognising and rewarding outstanding performance. Employees who consistently deliver high-quality results and demonstrate exceptional behaviour are rewarded through bonuses and opportunities for promotion. To ensure that our team members are fairly compensated, we regularly review our remuneration packages, ensuring they remain competitive within the industry and aligned with local market standards and practices.

We utilise a Human Resource Management System (HRMS) that is accessible online, providing both employees and managers with tools to efficiently manage and access key aspects of their employment. This includes functions such as leave management, tax information review, and access to payslips. The primary aim of this initiative is to streamline HR processes and reduce reliance on paper printing, contributing to a more environmentally sustainable approach within the Human Resource function. Through this digital transformation, we aim to enhance operational efficiency while promoting sustainability across the organisation.

## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

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

##### *Succession planning*

Succession planning for key and leadership roles is a critical element of our long-term strategy and sustainability efforts at Lay Hong. To ensure the continued success of the Group, our Nomination Committee, regularly reviews the human resources plan, including the succession management framework and its associated activities.

The succession planning process is implemented in stages, with a focus on preparing future leaders through targeted training programmes designed specifically for managerial staff. Additionally, we establish clear and detailed job descriptions for each role within the organisation, ensuring that expectations are defined and that future leaders are adequately prepared to step into critical positions. This approach supports a seamless transition and reinforces the Group's ability to maintain continuity and performance.

##### *Employee engagement*

Lay Hong fosters a culture of engagement, inclusion, and well-being by organising a variety of activities that promote team cohesion and celebrate our employees. These initiatives range from festive season celebrations to sports events, all aimed at boosting employee morale and creating a sense of unity and camaraderie across the organisation.



Hari Raya Celebration



Hari Raya Celebration



## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

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

##### *Employee retention & attrition*

In 2025, our attrition rate stood at 12%, a reduction from the 16% in the previous year, primarily driven by lower turnover among executive and technical staff.

We aim to reduce this rate further by enhancing our salary and reward schemes, developing a robust talent pipeline, and continuously strengthening our talent development programmes. These initiatives are designed to foster employee satisfaction and loyalty, ensuring we retain and nurture top talent within the organisation.

Employee Category	Total numbers of new hires FYE 2025	Total numbers of new hires FYE 2024
Management	7	1
Executive	15	7
Non-executive/Technical staff	255	171
General workers	116	352
Total	393	531

Employee Category	Total numbers of employee turnover FYE 2025	Total numbers of employee turnover FYE 2024
Management	5	1
Executive	17	41
Non-executive/Technical staff	189	229
General workers	123	135
Total	334	406

	FYE 2025	FYE 2024
New hire rates (%)	14%	20%
Turnover rates (%)	12%	16%

We recognise the important role temporary staff, including those on contract, play in supporting our operational flexibility and responsiveness to market demands. We are in the process of establishing a system to track and monitor the number of temporary workers across our operations.

Regardless of employment type, our practices ensure fair labour conditions and equitable treatment for all employees. This approach allows us to adapt effectively to evolving business needs while upholding our commitment to employee welfare and ethical workforce management.

## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

#### COMMUNITY INVESTMENT

##### Related UNSDGs:



We are dedicated to being a responsible corporate citizen by actively engaging with and supporting the communities in which we operate. Our commitment extends beyond traditional business practices; we strive to make a meaningful impact by fostering strong, positive relationships with local communities. We recognise that social inclusion and community well-being are vital to sustainable success. By contributing to local initiatives, supporting community development, and encouraging active participation, we aim to enhance the quality of life for residents and create a positive ripple effect throughout the region. We firmly believe that nurturing these connections not only benefits the communities we serve but also delivers favourable outcomes for our business in the long term. Through our efforts, we seek to build a foundation of trust, collaboration, and mutual growth.

As part of our ongoing commitment to corporate social responsibility and community engagement, Lay Hong contributed a total of RM9,635 in 2025 through a series of impactful initiatives. These contributions reflect the Group's dedication to supporting social welfare, promoting inclusivity, and responding to urgent community needs.

A portion of the contribution was channelled to Rumah Amal Kasih, Rumah Bakti Harapan and Rumah Kanak-Kanak Don, all of which serve as shelters for underprivileged individuals. Our support was directed towards meeting operational needs, improving living conditions, and enhancing the well-being of the residents. This included the donation of a wheelchair to Rumah Bakti Harapan to aid mobility for individuals with physical disabilities.



CSR Program - Rumah Bakti Harapan





## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

#### COMMUNITY INVESTMENT



CSR Program - Rumah Amal Kasih



CSR Program - Rumah Kanak-Kanak Don

In addition, financial aid was extended to a fire victim at the PTS headquarters, as part of our employee welfare and emergency relief support. This reflects the Group's responsiveness and care for those affected by unforeseen circumstances within our community.

Further, a contribution was made to the Department of Veterinary Services (Jabatan Haiwan) in support of animal welfare initiatives. Lay Hong acknowledges the importance of promoting responsible animal care and is committed to supporting efforts that protect and enhance animal well-being.

Through these initiatives, Lay Hong reaffirms its role as a responsible corporate citizen, committed to generating positive social impact and contributing meaningfully to the communities we serve.



## SUSTAINABILITY STATEMENT (CONTINUED)

### SOCIAL SUSTAINABILITY (CONT'D)

#### COMMUNITY INVESTMENT (CONT'D)

	FYE 2025	FYE 2024
Total amount invested where the target beneficiaries are external	9,635	16,144

We highly value the spirit of volunteerism among our employees, recognising it as crucial to the success of Lay Hong's community impact programmes. Moving forward, we will begin to monitor and track employee participation in these initiatives.

### GOVERNANCE SUSTAINABILITY



#### POLICY & REGULATORY COMPLIANCE

##### Related UNSDGs:



Policy and regulatory compliance, particularly in relation to environmental, social, and governance factors, is crucial for ensuring a company's sustainability and long-term success. By proactively adhering to these policies and regulations, Lay Hong can enhance its competitive advantage, attract socially responsible investors, and grow its market share. A firm commitment to sustainability and ethical practices not only enables us to outperform competitors but also supports enduring growth and profitability.

Conversely, failure to comply with laws and regulations can result in serious consequences, including fines, penalties, legal action, and reputational harm. This may lead to financial losses, increased operating costs, and a decline in shareholder value. Therefore, prioritising compliance and continuously monitoring regulatory developments is essential for effective risk management and the promotion of sustainable business practices.

#### MOVING FORWARD

In conclusion, sustainability is not only a core value at Lay Hong but also a guiding principle that shapes every aspect of our business. We believe that embracing sustainable practices is not just the right thing to do, but also a powerful strategic advantage in today's rapidly evolving business environment.

Our commitment to sustainability is embedded in our day-to-day operations, and we continuously strive to set new standards for responsible business practices. By integrating sustainability initiatives into our business model, we aim to drive long-term growth while fulfilling our responsibility to protect the environment and support social well-being.





## SUSTAINABILITY STATEMENT (CONTINUED)

### PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

As a listed entity, Lay Hong is obligated to provide mandatory ESG disclosures in accordance with the Main Market Listing Requirements and the enhanced Sustainability Reporting Guide, 3rd Edition. The following performance data table, sourced from the ESG Reporting Platform, presents key indicators aligned with our identified Material Matters, reflecting our commitment to transparency and accountability in addressing sustainability priorities.

Indicator	Measurement Unit	2024	2025
<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	1.20
Executive	Percentage	0.00	0.00
Non-executive/Technical Staff	Percentage	0.00	0.00
General Workers	Percentage	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<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	9,635.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			

## SUSTAINABILITY STATEMENT (CONTINUED)

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

Indicator	Measurement Unit	2024	2025
Age Group by Employee Category			
Management Under 30	Percentage	0.00	1.00
Management Between 30-50	Percentage	66.00	68.00
Management Above 50	Percentage	34.00	31.00
Executive Under 30	Percentage	35.00	33.00
Executive Between 30-50	Percentage	50.00	56.00
Executive Above 50	Percentage	15.00	11.00
Non-executive/Technical Staff Under 30	Percentage	49.00	45.00
Non-executive/Technical Staff Between 30-50	Percentage	42.00	44.00
Non-executive/Technical Staff Above 50	Percentage	9.00	11.00
General Workers Under 30	Percentage	51.00	50.00
General Workers Between 30-50	Percentage	43.00	45.00
General Workers Above 50	Percentage	6.00	6.00
Gender Group by Employee Category			
Management Male	Percentage	54.00	53.00
Management Female	Percentage	46.00	47.00
Executive Male	Percentage	28.00	21.00
Executive Female	Percentage	72.00	79.00
Non-executive/Technical Staff Male	Percentage	48.00	51.00
Non-executive/Technical Staff Female	Percentage	52.00	49.00



## SUSTAINABILITY STATEMENT (CONTINUED)

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

Indicator	Measurement Unit	2024	2025
General Workers Male	Percentage	87.00	85.00
General Workers Female	Percentage	13.00	15.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	87.50	87.50
Female	Percentage	12.50	12.50
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	38.00	12.50
Above 50	Percentage	62.00	87.50
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	64,015.30	62,443.00
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.74	0.68
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,245	571
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	315	600
Executive	Hours	2,715	1,049
Non-executive/Technical Staff	Hours	5,421	3,021
General Workers	Hours	6,158	3,300

## SUSTAINABILITY STATEMENT (CONTINUED)

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

Indicator	Measurement Unit	2024	2025
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	No Data Provided
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	1	5
Executive	Number	41	17
Non-executive/Technical Staff	Number	229	189
General Workers	Number	135	123
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	95.00
<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	0
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	1.300000	1.500000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	-	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	No Data Provided



## SUSTAINABILITY STATEMENT (CONTINUED)

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

Indicator	Measurement Unit	2024	2025
Bursa C10(a)(iii) Total waste directed to disposal	Metric tonnes	-	3,249.00
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	47,332.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	No Data Provided
Internal assurance		External assurance	
		No assurance	
		(*) Restated	

# 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 2025 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 2025 ("**FYE 2025**").

## 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**")



## CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

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

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

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.

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 2025 were as follows:

No	Name	Training Programmes/Seminars/Conferences
1	Dato' Yap Hoong Chai	• Mandatory Accreditation Programme Part II: Leading for Impact
2	Dato' Yeap Weng Hong	• Mandatory Accreditation Programme Part II: Leading for Impact
3	Dato' Yap Chor How	• Mandatory Accreditation Programme Part II: Leading for Impact
4	Ng Kim Tian	• Mandatory Accreditation Programme Part II: Leading for Impact
5	Tan Chee Hau	• Mandatory Accreditation Programme Part II: Leading for Impact
6	Wong Soo Thiam	<ul style="list-style-type: none"> <li>• National Tax Conference 2024</li> <li>• SSM National Conference 2024 on Enhancing Corporate Transparency &amp; Building Resilience</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Webinar on E-invoicing in Malaysia - Introduction and Implementation</li> </ul>
7	Tham Wei Mei	<ul style="list-style-type: none"> <li>• ICDM PowerTalk Series - Being Sued as an INED – A Personal Journey</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• ICDM PowerTalk Series - How Can Boards Make the Most of Blockchain &amp; Digital Assets</li> </ul>
8	Yeap Fock Hoong	• Mandatory Accreditation Programme Part II: Leading for Impact

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 48 to 75 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 2025, 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 2025 AGM, Dato' Yeap Weng Hong, Mr. Wong Soo Thiam ("**Mr. Wong**") and Madam Tham Wei Mei ("**Madam Tham**") 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. Wong and Madam Tham complied with their criteria of independence based on the Listing Requirements and remain independent in exercising the judgement and carry out their roles as independent non-executive directors.

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





## CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

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

#### (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.

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 2025 is as follows:

	Directors' Fees (RM)	Salaries, other emoluments and benefits (RM)	Total (RM)
<b>Executive Directors</b>			
Dato' Yap Hoong Chai	44,000	3,660,352	3,704,352
Dato' Yeap Weng Hong	40,000	1,682,456	1,722,456
Dato' Yap Chor How	40,000	2,740,862	2,780,862
Ng Kim Tian	40,000	1,737,332	1,777,332
<b>Subtotal</b>	<b>164,000</b>	<b>9,821,002</b>	<b>9,985,002</b>
<b>Non-Executive Directors</b>			
Tan Chee Hau	40,000	–	40,000
Wong Soo Thiam	43,167	–	43,167
Tham Wei Mei	33,334	–	33,334
Yeap Fock Hoong	40,000	–	40,000
<b>Subtotal</b>	<b>156,501</b>	<b>–</b>	<b>156,501</b>
<b>Grand Total</b>	<b>320,501</b>	<b>9,821,002</b>	<b>10,141,503</b>

## CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

### 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.

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

During FYE 2025, 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 MCCG.

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 2024, 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 41st 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 2025 ("FYE 2025") are as follows:

AC Member	Designation	Number of Committee Meetings attended
Wong Soo Thiam	Independent Non-Executive Director	5/5
Tan Chee Hau	Independent Non-Executive Director	5/5
Tham Wei Mei	Independent Non-Executive Director	5/5

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 2025, 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) Food Manufacturing Operation Internal Control Review - Nutriplus Food Manufacturing Sdn. Bhd.
- (ii) Broiler Farm Operation Internal Control Review - STF Agriculture Sdn. Bhd.
- (iii) Layer and Distribution Centre Operation Review - Jeram 5

The total cost incurred for the internal audit functions in respect of the financial year ended 31 March 2025 amounted to RM93,762.



## 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 2025 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 2025;
- 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;
  - Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRSs 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 2025 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.

## AUDIT COMMITTEE REPORT (CONTINUED)

### SUMMARY OF ACTIVITIES (CONT'D)

#### c) External Audit

Messrs. Tai, Yapp & Co PLT ("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 2025 and had declared and confirmed that they were independent and would be independent through their audit engagement.

For FYE 2025, 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.

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 RM14,300 for the FYE 2025. 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 2026.

### 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. 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 Audit Committee meetings for discussion and assessment. Key and significant issues were reported to the Board by the Chairman of the Audit Committee 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 Audit Committee 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 2015), 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 the Company and Group for the financial year ended 31 March 2025 was as follows:

	Company RM	Group 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 2025 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 (as at 31 March 2025)	
	Grand Total	Directors / Senior Management
As at 1 April 2024	60,950,500	30,751,800
(a) Granted	0	0
(b) Exercised	(13,196,070)	(821,800)
(c) Lapsed	0	0
As at 31 March 2025	47,754,430	29,930,000

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)

No new ESS Options granted during the financial year. Since commencement of the ESS to financial year ended 31 March 2025, 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	0.96%
Mr. Wong Yen Tien	0.96%
Mr. Ong Yong Thye	0.68%
Mr. Kuan Yik Vern	0.68%
<b>Total</b>	<b>43.43%</b>

The breakdown of the Options exercised by Directors and senior management:

Name of Directors / Senior Management	Balance as at 1.4.2024	Exercised	Lapsed	Balance as at 31.03.2025
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	170,000	–	530,000
Mr. Wong Yen Tien	–	–	–	–
Mr. Ong Yong Thye	300,000	300,000	–	–
Mr. Kuan Yik Vern	351,800	351,800	–	–
<b>Total</b>	<b>30,751,800</b>	<b>821,800</b>	<b>–</b>	<b>29,930,000</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 of 7 July 2025, total 17,781,670 ESS Options exercised under the ESS and have raised gross proceeds of RM4,801,050.90.

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	4,801	4,801	–



## 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 2025, 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.

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# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 MARCH 2025

The directors present their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2025.

### 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	86,889,265	60,628,371
Attributable to :-		
Owners of the company	86,829,883	60,628,371
Non-controlling interests	59,382	–
	86,889,265	60,628,371

### DIVIDENDS

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

	RM
Single tier interim dividend of 0.3 sen per ordinary share, paid on 21 June 2024	2,258,543
Single tier final dividend of 0.5 sen per ordinary share, paid on 13 November 2024	3,783,717

The Board of Directors recommend a final single tier dividend of 0.4 sen per share for the financial year ended 31 March 2025 amounting to RM3.03 million, based on the number of outstanding shares in issue at the end of the year. 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 above proposed final single tier dividend. Such dividends will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 March 2026.

### 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 RM175,322,910 to RM180,337,417 by way of issuance of 13,196,070 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	Number of options over ordinary shares			
		As at 1.4.24	(Exercised)	(Lapsed)	As at 31.3.25
30.01.24	RM0.27	60,950,500	(13,196,070)	–	47,754,430

### **INDEMNIFYING DIRECTORS OR OFFICERS**

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 or officers 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

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 31.3.25
	Balance as at 1.4.24	Acquired	(Disposed)	
Dato' Yap Hoong Chai				
- direct	56,896,700	–	–	56,896,700
- indirect *	221,024,660	4,400,000	(520,000)	224,904,660
Dato' Yeap Weng Hong	8,312,000	–	(1,500,000)	6,812,000
Yeap Fock Hoong	4,910,000	–	(300,000)	4,610,000
Dato' Yap Chor How	383,700	1,640,000	–	2,023,700

\* 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 2025 are as follows :

	Balance as at 1.4.24	Granted	Exercised	Lapsed	Balance as at 31.03.25
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 2025 amounted to RM388,000 and RM100,000 respectively.

The Company has agreed to indemnify the auditors to the extent permissible under the provision of the Companies Act 2016 in Malaysia.

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' YAP CHOR HOW

Klang, Selangor  
Dated: 7 July 2025

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAY HONG BERHAD

## 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 2025 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 material accounting policy information, as set out on pages 93 to 167.

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 2025, 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 RM104,237,842. 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><u>Our audit procedures over this area included:</u></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><u>Our audit procedures over this area included:</u></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)

We also: (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  
02468/10/2026 J  
Chartered Accountant

Date: 7 July 2025  
Kuala Lumpur

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	2025 RM	2024 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	640,603,083	626,540,084
Investment properties	6	7,512,000	6,270,000
Other investments	8	4,817,896	532,666
Intangible assets	9	3,661,471	4,734,957
		656,594,450	638,077,707
<b>Current assets</b>			
Biological assets	10	104,237,842	103,238,150
Inventories	11	138,301,071	129,043,185
Trade receivables	12	86,940,652	85,642,240
Other receivables	13	37,498,023	37,879,969
Deposits with a licensed bank	14	10,594,745	579,102
Short term investment	15	10,141,404	–
Cash and bank balances	16	54,927,607	59,108,442
		442,641,344	415,491,088
<b>TOTAL ASSETS</b>		<b>1,099,235,794</b>	<b>1,053,568,795</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	180,337,417	175,322,910
Reserves	18	463,381,229	384,082,617
		643,718,646	559,405,527
Non-controlling interests		11,639,991	11,580,609
<b>Total equity</b>		<b>655,358,637</b>	<b>570,986,136</b>
<b>Non-current liabilities</b>			
Borrowings	19	94,404,121	57,654,713
Deferred tax liabilities	20	83,237,576	85,991,952
		177,641,697	143,646,665
<b>Current liabilities</b>			
Trade payables	21	78,693,821	85,060,155
Other payables	22	72,686,547	71,887,093
Current tax liabilities		6,116,453	8,209,582
Borrowings	19	108,738,639	173,779,164
		266,235,460	338,935,994
<b>Total liabilities</b>		<b>443,877,157</b>	<b>482,582,659</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,099,235,794</b>	<b>1,053,568,795</b>

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



# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	2025 RM	2024 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	220,234,900	203,867,341
Investment in subsidiaries	7	122,416,464	120,416,464
Other investments	8	4,739,902	454,558
Amount due from subsidiaries	7	42,129,544	42,594,100
		389,520,810	367,332,463
<b>Current assets</b>			
Biological assets	10	66,676,544	61,142,151
Inventories	11	15,040,225	12,726,006
Trade receivables	12	23,596,249	23,551,117
Other receivables	13	23,847,540	28,109,495
Amount due from subsidiaries	7	134,101,673	103,644,499
Deposit with licensed banks	14	10,000,000	–
Short term investment	15	10,141,404	–
Cash and bank balances	16	31,837,001	26,814,765
		315,240,636	255,988,033
<b>TOTAL ASSETS</b>		<b>704,761,446</b>	<b>623,320,496</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	180,337,417	175,322,910
Reserves	18	226,512,182	173,377,639
<b>Total equity</b>		<b>406,849,599</b>	<b>348,700,549</b>
<b>Non-current liabilities</b>			
Borrowings	19	42,369,560	24,032,416
Deferred tax liabilities	20	34,938,180	37,858,208
		77,307,740	61,890,624
<b>Current liabilities</b>			
Trade payables	21	34,671,701	40,951,490
Other payables	22	41,183,675	33,133,775
Amount due to subsidiaries	7	60,372,749	15,903,827
Borrowings	19	76,786,699	116,811,268
Current tax liabilities		7,589,283	5,928,963
		220,604,107	212,729,323
<b>Total liabilities</b>		<b>297,911,847</b>	<b>274,619,947</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>704,761,446</b>	<b>623,320,496</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 2025

	Note	2025 RM	2024 RM
Revenue	23	1,073,710,287	1,042,794,342
Cost of sales		(806,909,694)	(779,572,994)
Gross profit		266,800,593	263,221,348
Other income		11,617,866	20,878,498
Selling and distribution expenses		(114,706,176)	(104,568,762)
Administrative expenses		(42,130,988)	(47,809,856)
Profit from operations		121,581,295	131,721,228
Finance costs		(11,923,680)	(12,269,005)
<b>Profit before taxation</b>		<b>109,657,615</b>	<b>119,452,223</b>
Taxation	25	(22,768,350)	(29,372,273)
<b>Profit for the year</b>		<b>86,889,265</b>	<b>90,079,950</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		(37,443)	(802,098)
<b>Other comprehensive expense, net of tax</b>		<b>(37,443)</b>	<b>(802,098)</b>
<b>Total comprehensive income</b>		<b>86,851,822</b>	<b>89,277,852</b>
<b>Profit for the year attributable to :</b>			
Owners of the Company		86,829,883	90,253,342
Non-controlling interests		59,382	(173,392)
		<b>86,889,265</b>	<b>90,079,950</b>
<b>Total comprehensive income attributable to :</b>			
Owners of the Company		86,792,440	89,451,244
Non-controlling interests		59,382	(173,392)
		<b>86,851,822</b>	<b>89,277,852</b>
<b>Earning per share:</b>			
- Basic	26	11.50	12.18
- Diluted	26	10.81	11.20
Dividend per share (sen)	27	0.8	0.3

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 2025

	Note	2025 RM	2024 RM
Revenue	23	488,250,641	491,352,744
Cost of sales		(372,731,694)	(383,108,863)
Gross profit		115,518,947	108,243,881
Other income		18,764,350	5,906,205
Selling and distribution expenses		(35,205,108)	(33,431,289)
Administrative expenses		(19,712,894)	(37,167,756)
Profit from operations		79,365,295	43,551,041
Finance costs		(6,466,201)	(6,641,615)
<b>Profit before taxation</b>		72,899,094	36,909,426
Taxation	25	(12,270,723)	(14,180,899)
<b>Profit for the year</b>		60,628,371	22,728,527
Other comprehensive income		–	–
<b>Total comprehensive income</b>		60,628,371	22,728,527
Dividends per share (sen)	27	0.8	0.3

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	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	-	-	(802,098)	-	90,253,342	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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Note	Attributable to owners of the Company						
		Non-distributable			Distributable			
		Share Capital	Revaluation Reserves	Foreign Currency Translation Reserve	Share Option Reserves	Retained Profits	Total	Non-Controlling Interests
		RM	RM	RM	RM	RM	RM	RM
Balance at 1 April 2024		175,322,910	121,645,985	(115,523)	6,704,555	255,847,600	559,405,527	11,580,609
Transfer to distributable reserve on realisation of revaluation reserve		-	(2,925,515)	-	-	2,925,515	-	-
Profit for the year		-	-	-	-	86,829,883	86,829,883	59,382
Foreign currency transactions		-	-	(37,443)	-	-	(37,443)	-
Total comprehensive (expense)/income		-	-	(37,443)	-	86,829,883	86,792,440	59,382
Issue of shares pursuant to ESS exercised		5,014,507	-	-	(1,451,568)	-	3,562,939	-
Dividends	27	-	-	-	-	(6,042,260)	(6,042,260)	-
Total transactions with equity owner		5,014,507	-	-	(1,451,568)	(6,042,260)	(2,479,321)	-
Balance at 31 March 2025		180,337,417	118,720,470	(152,966)	5,252,987	339,560,738	643,718,646	11,639,991
								655,358,637

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital RM	Non-distributable Revaluation Reserve RM	Share option reserve RM	Distributable Retained Profits RM	Total Equity RM
Balance at 1 April 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	-	-	-	22,728,527	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	-	-	-	(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
Transfer to distributable reserve on realisation of revaluation reserve	-	(904,282)	-	904,282	-
Profit for the year	-	-	-	60,628,371	60,628,371
Total comprehensive expense	-	-	-	60,628,371	60,628,371
Issuance of ordinary shares pursuant to ESS exercised	5,014,507	-	(1,451,568)	-	3,562,939
Dividends	-	-	-	(6,042,260)	(6,042,260)
Total transactions with equity owner	5,014,507	-	(1,451,568)	(6,042,260)	(2,479,321)
Balance at 31 March 2025	180,337,417	42,676,049	5,252,987	178,583,146	406,849,599

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	109,657,615	119,452,223
Adjustments for :-		
De-recognised of right-of use assets	–	16,723
Amortisation of intangible assets	1,071,730	1,078,565
Depreciation of property, plant and equipment	50,631,532	47,729,625
Dividend income	(60,552)	(2,790)
Gain on disposal of property, plant and equipment	(263,649)	(211,847)
Property, plant and equipment written off	662,355	1,635,489
Gain on disposal of quoted investment	(104,333)	–
Impairment of inventories written back	(158,950)	(104,915)
Bad debts written off	941,089	264,617
Interest expense	11,923,680	12,269,005
Interest income	(1,670,497)	(492,093)
Net impairment losses on trade receivables	(156,729)	(962,085)
Changes in fair value on quoted investment	292,663	51,069
Changes in fair value on biological assets	(1,111,826)	(20,841,983)
Share option granted under ESS	–	8,058,600
Net unrealised loss/(gain) on foreign exchange	311,427	(376,736)
Derecognised of negative goodwill	–	(4,289,771)
Operating profit before working capital changes	171,965,555	163,273,696
Inventories and biological assets	(8,986,803)	(11,458,957)
Receivables	(3,788,500)	1,857,915
Payables	(3,788,317)	(6,687,008)
Associate	–	(3,633,691)
Cash generated from operations	155,401,935	143,351,955
Tax paid	(27,615,854)	(8,535,124)
Net cash generated from operating activities	127,786,081	134,816,831
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(a) (38,775,260)	(41,292,925)
Proceeds from disposal of property, plant and equipment	1,106,606	2,425,979
Proceeds from disposal of investment	1,057,583	–
Purchase of investment properties	(1,242,000)	–
Placement of fixed deposit with a licensed bank	(5,000,000)	–
Net purchase of quoted investments	(5,531,143)	–
Interest received	1,670,497	492,093
Increase in deposits pledged to licensed banks	(15,643)	(14,125)
Dividend received	60,552	2,790
Acquisition of subsidiary company	7(b) –	(331,721)
Net cash used in investing activities	(46,668,808)	(38,717,909)

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	2025 RM	2024 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(11,923,680)	(12,269,005)
Net repayment of bankers' acceptance		(61,761,900)	(2,599,000)
Drawdown of term loans		38,000,000	–
Net payment of revolving credit facilities		–	(25,097,585)
Repayment of term loans		(12,610,837)	(15,030,082)
Repayment of lease liabilities		(17,488,297)	(15,891,450)
Dividends paid to owners of the parent		(6,042,260)	(2,220,957)
Proceeds from issuance of ordinary shares pursuant to ESS		3,562,939	1,200,501
Net cash used in financing activities		(68,264,035)	(71,907,578)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		12,853,238	24,191,344
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		(94,611)	(875,979)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		52,013,237	28,697,872
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	(b)	64,771,864	52,013,237

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

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM66,118,760 (2024 : RM62,303,284) of which RM27,343,500 (2024 : RM21,010,359) was acquired by means of lease arrangements. Cash payment of RM38,775,260 (2024 : RM41,292,925) were made to purchase property, plant and equipment.

	2025 RM	2024 RM
<b>(b) Cash and cash equivalents</b>		
Cash and bank balances	54,927,607	59,108,442
Deposits with a licensed bank (Note 14)	10,594,745	579,102
Short term investment (Note 15)	10,141,404	–
Bank overdrafts (Note 19)	(5,297,147)	(7,095,205)
	70,366,609	52,592,339
Less :		
Deposits pledged to a licensed bank	(594,745)	(579,102)
Fixed deposits with maturity of more than 3 months	(5,000,000)	–
	64,771,864	52,013,237

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



# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		72,899,094	36,909,426
Adjustments for :-			
Depreciation of property, plant and equipment		16,132,686	14,659,754
Bad debts written off		742,253	1,300,944
Dividend income		(15,060,349)	(2,790)
Net gain on disposal of property, plant and equipment		(119,150)	(151,848)
Gain on disposal of quoted investments		(104,333)	–
Fair value adjustment on remeasurement of investment		–	14,700,000
Interest expense		6,466,201	6,641,615
Interest income		(2,044,026)	(1,300,177)
Net unrealised foreign exchange loss/(gain)		328,448	(165,199)
Reversal impairment losses on trade receivables		(12,332)	(756,067)
Changes in fair value on biological assets		(3,323,186)	(6,768,163)
Changes in fair value on quoted investment		292,549	50,847
Share option granted under ESS		–	4,070,000
Impairment loss on trade receivables		–	28,603
Operating profit before working capital changes		76,197,855	69,216,945
Inventories and biological assets		(4,525,426)	2,784,932
Receivables		3,488,959	(6,899,399)
Payables		1,907,150	(2,628,784)
Subsidiaries		(22,800,796)	(8,932,453)
Associates		–	1,118
Cash generated from operations		54,267,742	53,542,359
Interest paid		(10,748)	(122,765)
Tax paid		(13,530,431)	(1,732,084)
Net cash provided by operating activities		40,726,563	51,687,510
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(a)	(13,659,051)	(9,566,063)
Proceeds from disposal of property, plant and equipment		119,151	299,600
Acquisition of additional quoted investments		(5,531,143)	–
Proceeds from disposal of investments		1,057,583	–
Acquisition of additional shares in subsidiary companies		(2,000,000)	(26,544,201)
Interest received		2,044,026	304,531
Dividend received		15,060,349	2,790
Placement of fixed deposits with a licensed bank		(5,000,000)	–
Net cash used in investing activities		(7,909,085)	(35,503,343)

## STATEMENT OF CASH FLOWS (CONTINUED)

	Note	2025 RM	2024 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(6,455,453)	(6,518,850)
Net repayment/(drawdown) of bankers' acceptance		(36,181,000)	8,432,000
Drawdown of term loans		12,800,000	–
Repayment of term loans		(8,426,942)	(10,190,975)
Repayment of lease liabilities		(7,174,852)	(5,481,426)
Repayment from subsidiaries companies		37,277,100	10,592,046
Proceed from issuance of ordinary shares pursuant to ESS		3,562,939	1,200,501
Dividends paid to owners of the parent		(6,042,260)	(2,220,957)
Net cash used in financing activities		(10,640,468)	(4,187,661)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		22,177,010	11,996,506
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		(467,544)	232,774
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		23,041,652	10,812,372
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	(b)	44,751,118	23,041,652

**Note :**

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

During the year, the Company acquired property, plant and equipment with an aggregate cost of RM32,500,246 (2024 : RM19,060,059) of which RM18,841,195 (2024 : RM9,493,996) was acquired by means of lease arrangements. Cash payment of RM13,659,051 (2024 : RM9,566,063) was made to acquire the property, plant and equipment.

	2025 RM	2024 RM
<b>(b) Cash and cash equivalents</b>		
Cash and bank balances	31,837,001	26,814,765
Short term investment (Note 15)	10,141,404	–
Deposits with licensed banks (Note 16)	10,000,000	–
Bank overdrafts (Note 19)	(2,227,287)	(3,773,113)
	49,751,118	23,041,652
Less: Fixed deposits with maturity of more than 3 months	(5,000,000)	–
	44,751,118	23,041,652

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





# NOTES TO THE FINANCIAL STATEMENTS

– 31 MARCH 2025

## 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 DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

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 7 July 2025.

## 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
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

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

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Description	Effective for annual periods beginning on or after
Amendment to MFRS 121 The Effects of Changes in Foreign Exchange Rates : Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments – Disclosures : Classification and Measurement of Financial Instruments	1 January 2026
MFRS 9 Financial Instruments and MFRS 7 Financial Instruments : Disclosures (Contracts Referencing Nature – Dependent Electricity)	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability : Disclosures	1 January 2027
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures : Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

#### 2.2 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.

#### 2.3 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.

#### 2.4 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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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.

##### (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 10 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

##### (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.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### 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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.2 Basis of Consolidation (Cont'd)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 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.

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 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.

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 3.13(b).



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.5 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 3.13(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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.6 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.

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.

#### 3.7 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.





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

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.

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.

#### 3.8 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.

#### 3.9 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.10 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 costs, directly attributable to the sale of agriculture products but excludes finance costs and income taxes. Purchases of livestock are directly expensed to profit or loss when incurred. Changes in fair value of livestock are recognised in the profit or loss.

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

##### **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 the Company and other estimated farming cost that will be incurred throughout the remaining life of the layer.

#### 3.11 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.

#### 3.12 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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.12 Leases (Cont'd)

##### (a) Definition of Lease (Cont'd)

- 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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.12 Leases (Cont'd)

##### (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.

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.

#### 3.13 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.13 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.14 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.

#### 3.15 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.15 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.

#### 3.16 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 when performance obligations of services promised in the contract satisfied.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.16 Revenue Recognition (Cont'd)

**(e) Serviced rendered**

Revenue from service rendered is recognised over time when performance obligations of services promised in the contract is satisfied.

**(f) Dividend income**

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

#### 3.17 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.17 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 3.13(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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.17 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 3.21.

##### (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.

#### 3.18 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.

#### 3.19 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.

#### 3.20 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.21 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.

#### 3.22 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.

#### 3.23 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 3.23 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 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)
Termination of lease	-	(206,929)	-	-	-	-	-	-	(1,261,277)	(1,468,206)
Reclassification	2,291,574	-	10,472,150	4,508,439	18,259,606	-	-	(35,531,769)	(484,979)	(484,979)
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
Additions	-	1,875,076	3,272,356	2,941,345	7,167,979	4,805,189	2,693,987	36,929,213	6,433,615	66,118,760
Disposals	-	-	-	-	(963,600)	(2,207,592)	(289,540)	-	-	(3,460,732)
Written off	-	-	(177,569)	-	(6,173,585)	-	(375,500)	(325,404)	(216,787)	(7,268,845)
Completion of lease	-	-	-	-	(452,210)	-	-	-	(4,777,336)	(5,229,546)
Reclassifications	-	-	6,165,174	866,571	17,744,533	-	898,941	(25,675,219)	-	-
Remeasurement/Derecognised	-	-	-	-	-	-	-	-	24,475	24,475
Exchange differences	23,000	-	78,491	-	(4,789)	3,425	5,630	1,183	-	106,940
At 31 March 2025	100,921,203	58,132,163	324,638,032	28,509,202	444,992,156	42,112,277	44,184,907	30,268,298	22,746,242	1,096,504,480

## 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 2023	-	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
At 31 March 2024	-	4,492,494	63,533,954	7,439,402	261,621,299	32,293,983	24,398,345	-	9,819,873	403,599,350
Charge for the financial year	-	1,541,941	11,711,649	1,209,532	25,141,837	2,903,420	2,499,173	-	5,623,980	50,631,532
Disposals	-	-	-	-	(406,244)	(2,207,591)	(3,940)	-	-	(2,617,775)
Written off	-	-	(137,616)	-	(5,932,368)	-	(310,918)	-	(216,787)	(6,597,689)
Completion of lease	-	-	-	-	(452,210)	-	-	-	(4,777,336)	(5,229,546)
Exchange differences	-	-	(80,400)	-	111,720	3,410	5,310	-	-	40,040
At 31 March 2025	-	6,034,435	75,027,587	8,648,934	280,084,034	32,993,222	26,587,970	-	10,449,730	439,825,912



## 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 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
Written off	-	-	-	-	-	-	(8,801)	-	-	(8,801)
Exchange differences	-	-	10,292	-	-	-	-	-	-	10,292
At 31 March 2025	38,157	-	11,502,442	-	4,263,976	-	270,910	-	-	16,075,485
<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	4,661,574	14,242,692	59,592,405	19,860,268	160,644,146	9,119,055	17,326,027	30,268,298	12,296,512	328,010,977
Valuation	96,221,472	37,855,036	178,515,598	-	-	-	-	-	-	312,592,106
31 March 2025	100,883,046	52,097,728	238,108,003	19,860,268	160,644,146	9,119,055	17,326,027	30,268,298	12,296,512	640,603,083

## 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 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
Additions	-	-	1,626,131	25,173	2,735,728	2,539,332	182,330	24,668,644	722,908	32,500,246
Disposals	-	-	-	-	-	(1,322,238)	-	-	-	(1,322,238)
Written off	-	-	-	-	(5,762,953)	-	(6,595)	-	-	(5,769,548)
Reclassifications	-	-	4,887,864	704,771	15,878,232	-	898,941	(22,369,808)	-	-
At 31 March 2025	40,952,000	6,130,000	88,952,504	9,403,400	161,612,103	20,185,211	9,373,812	13,892,336	2,335,557	352,836,923
<b>Accumulated depreciation</b>										
At 1 April 2023	-	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





## 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	-	311,439	10,644,581	2,172,295	86,928,938	14,669,555	7,262,835	-	894,110	122,883,753
Charge for the financial year	-	103,813	3,536,013	441,132	9,654,121	1,679,782	324,509	-	393,317	16,132,687
Disposals	-	-	-	-	-	(1,322,238)	-	-	-	(1,322,238)
Written off	-	-	-	-	(5,762,953)	-	(6,595)	-	-	(5,769,548)
At 31 March 2025	-	415,252	14,180,594	2,613,427	90,820,106	15,027,099	7,580,749	-	1,287,427	131,924,654
<b>Accumulated impairment losses</b>										
At 1 April 2024/										
31 March 2025	-	-	-	-	677,369	-	-	-	-	677,369
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
<b>Net carrying amount</b>										
Cost	1,450,000	-	14,175,554	6,789,973	70,114,628	5,158,112	1,793,063	13,892,336	1,048,130	114,421,796
Valuation	39,502,000	5,714,748	60,596,356	-	-	-	-	-	-	105,813,104
31 March 2025	40,952,000	5,714,748	74,771,910	6,789,973	70,114,628	5,158,112	1,793,063	13,892,336	1,048,130	220,234,900

## 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	Plant and Machinery RM	Motor Vehicles RM	Capital Work- in-Progress RM	Leasehold Buildings RM	Total RM
At 1 April 2023	41,394,963	32,346,065	4,951,407	214,810	12,957,792	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	34,548,164	6,335,731	214,810	11,523,011	93,736,941
Additions	1,875,075	16,840,115	4,768,042	1,691,572	7,865,799	33,040,603
Charge for the financial year	(1,395,892)	(3,669,239)	(2,547,632)	-	(7,038,136)	(14,650,899)
Reclassification	-	(1,560,893)	(17,804)	-	-	(1,578,697)
Asset fully settled during the year	-	(60,605)	(2,667)	-	-	(63,272)
At 31 March 2025	41,594,408	46,097,542	8,535,670	1,906,382	12,350,674	110,484,676



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Company	Leasehold Land RM	Plant and Machinery RM	Motor Vehicles RM	Capital Work-in-Progress RM	Leasehold Buildings RM	Total RM
At 1 April 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
Additions	-	15,773,350	2,539,332	-	722,908	19,035,590
Charge for the financial year	(103,813)	(1,777,409)	(1,677,839)	-	(393,317)	(3,952,378)
At 31 March 2025	5,714,747	32,366,148	5,149,494	-	1,048,130	44,278,519

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 (2024 :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 RM82,272,536 (2024: RM74,600,835) and RM1,450,000 (2024: RM1,450,000) 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 (2024 : 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>2025</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>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>Company</b>				
<b>2025</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>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

- (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	
	2025 RM	2024 RM	2025 RM	2024 RM
Leasehold land	30,021,253	15,370,626	1,471,701	1,498,283
Freehold land	36,787,940	36,789,327	11,454,424	11,454,424
Buildings	131,435,423	109,610,993	33,401,656	35,111,463
	198,244,616	161,770,946	46,327,781	48,064,170

The following are the amount recognised in profit or loss :

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Depreciation for:				
- property, plant and equipment	35,980,633	35,356,228	12,180,309	11,350,797
- right-of-use assets	14,650,899	12,373,397	3,952,377	3,308,957
Gain on disposal of property, plant and equipment	(263,649)	(211,847)	(119,150)	(151,848)
Property, plant and equipment written off	662,355	1,635,489	–	–

### 6. INVESTMENT PROPERTIES

#### Investment properties measured at fair value:

	Group	
	2025 RM	2024 RM
At 1 April	6,270,000	6,270,000
Addition	1,242,000	–
At 31 March	7,512,000	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	
	2025 RM	2024 RM
Rental income	286,882	88,000
Direct operating expenses	(63,866)	(42,251)

## 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 (2024: RM4,110,000) were revalued on 1 March 2021 (2024: 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>2025</b>				
Leasehold buildings	-	4,110,000	3,402,000	7,512,000

<b>2024</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	
	2025 RM	2024 RM
<u>Unquoted shares in Malaysia, at cost</u>		
At 1 April	120,416,464	90,748,615
Add :		
Transfer from investment in associate	–	1
Addition	2,000,000	26,544,200
Equity contributions in subsidiaries in respect of ESS	–	3,123,648
At 31 March	122,416,464	120,416,464

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

Name of Company	Principal place of business and country of Incorporation	Effective interest		Principal activities
		2025 %	2024 %	
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)

Name of Company	Principal place of business and country of Incorporation	Effective interest		Principal activities
		2025 %	2024 %	
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	Malaysia	100	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.

#### (b) Acquisition of Nutriplus Food Manufacturing Sdn Bhd

On 22 November 2023, the Company acquired additional 51% of the ordinary shares in Nutriplus Food Manufacturing 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 (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>	<b>4,289,772</b>
Less: Negative goodwill arising from acquisition	(4,289,771)
<b>Purchase consideration</b>	<b>1</b>

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>	<b>(331,721)</b>

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	16,447,147
Cost of sales	(10,725,850)
Gross profit	5,721,297
Other income	150,929
Administrative expenses	147,174
Profit from operation	6,019,400
Finance cost	(801)
<b>Profit for the year</b>	<b>6,018,599</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

#### A. INVESTMENT IN SUBSIDIARIES (Cont'd)

##### (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		(Loss)/Profit allocated to NCI		Carrying amount of NCI	
	2025 %	2024 %	2025 RM	2024 RM	2025 RM	2024 RM
<b>Group</b>						
G-Mart Borneo Retail Sdn Bhd	30	30	(17,738)	187,469	9,619,333	9,334,462

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	
	2025 RM	2024 RM

#### Summarised Statement of Financial Position

Total assets	64,377,719	69,759,528
Total liabilities	(32,313,275)	(37,635,955)
Net assets	32,064,444	32,123,573

#### Summarised Statement of Profit or Loss and Other Comprehensive income

Revenue	133,203,533	138,541,571
Profit/(Loss) before taxation	17,180	(251,500)
Taxation	(76,308)	(373,398)
Loss for the year	(59,128)	(624,898)
Total comprehensive expense	(59,128)	(624,898)

#### Summarised Statement of Cash Flows

Cash generated from operating activities	6,989,388	3,782,209
Net cash used in investing activities	(283,676)	(348,121)
Cash used in financing activities	(7,968,882)	(2,353,465)
Net (decrease)/increase in cash and cash equivalents	(1,263,170)	1,080,624



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

#### B. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2025 RM	2024 RM
<b>Non-current asset</b>		
Non-trade	42,129,544	42,594,100
<b>Current assets</b>		
Trade	79,413,923	58,343,135
Non-trade	54,687,750	45,301,364
	134,101,673	103,644,499
<b>Current liabilities</b>		
Trade	441,998	(1,288,010)
Non-trade	(60,814,747)	(14,615,817)
	(60,372,749)	(15,903,827)

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 RM24,925,170 (2024 : RM15,834,320) which is subject to 5.01% (2024: 4.07%) interest per annum.

### 8. OTHER INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<i>Quoted shares, in Malaysia</i>				
At 1 April	339,666	390,735	336,558	387,405
Addition	5,531,143	–	5,531,143	–
Disposal	(953,250)	–	(953,250)	–
Changes in fair value	(292,663)	(51,069)	(292,549)	(50,847)
At 31 March	4,624,896	339,666	4,621,902	336,558
<i>Unquoted investment at cost, in Malaysia</i>	193,000	193,000	118,000	118,000
	4,817,896	532,666	4,739,902	454,558

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. INTANGIBLE ASSETS

	Goodwill RM	Development Costs RM	Total RM
<b>Group</b>			
<b>Cost</b>			
At 1 April 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
Exchange differences	–	3,451	3,451
At 31 March 2025	3,263,603	5,544,529	8,808,132
<b>Accumulated amortisation</b>			
At 1 April 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
Charge during the year	–	1,071,730	1,071,730
Exchange differences	–	5,207	5,207
At 31 March 2025	322,800	4,823,861	5,146,661
<b>Net carrying amount</b>			
At 31 March 2025	2,940,803	720,668	3,661,471
At 31 March 2024	2,940,803	1,794,154	4,734,957

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)

### 10. BIOLOGICAL ASSETS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>At fair value less cost to sell:</u>				
Layer breeders	5,136,030	5,547,886	–	–
Broiler breeders	6,982,063	9,236,397	–	–
Commercial layers	92,119,749	88,453,867	66,676,544	61,142,151
	104,237,842	103,238,150	66,676,544	61,142,151

Biological assets movement can be analysed as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 April	103,238,150	76,004,863	61,142,151	52,956,273
Increase due to purchase	16,862,556	21,029,939	9,434,353	8,203,443
Biological asset losses	(8,053,788)	(7,521,858)	(2,452,132)	(2,496,207)
Changes in fair value	1,111,826	20,841,983	3,323,186	6,768,163
Depopulation	(8,920,902)	(7,116,777)	(4,771,014)	(4,289,521)
At 31 March	104,237,842	103,238,150	66,676,544	61,142,151

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. BIOLOGICAL ASSETS (CONT'D)

#### 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 RM14,789,025 and RM11,242,821 (2024 : RM13,539,986 and RM9,989,514) 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.

### 11. INVENTORIES

	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
<u>At cost</u>				
Raw materials	30,978,971	28,449,468	9,188,984	8,686,622
Manufactured and trading inventories	105,758,597	98,678,363	5,851,241	4,039,384
	136,737,568	127,127,831	15,040,225	12,726,006
<u>At net realisable value:</u>				
Manufactured and trading inventories	1,563,503	1,915,354	–	–
Total	138,301,071	129,043,185	15,040,225	12,726,006
<u>At cost:</u>				
Inventories recognised as an expense in profit or loss	806,909,694	779,572,994	372,731,694	383,108,863
Impairment loss on inventories write back	(158,950)	(104,915)	–	–

### 12. TRADE RECEIVABLES

	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
Trade receivables	87,261,573	86,119,890	23,627,348	23,594,548
Impairment losses	(320,921)	(477,650)	(31,099)	(43,431)
	86,940,652	85,642,240	23,596,249	23,551,117

The Group's normal credit term for trade receivables ranges from 45 days to 180 days (2024: 45 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12. TRADE RECEIVABLES (CONT'D)

The movement in the impairment losses on trade receivables of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 April	477,650	1,349,859	43,431	923,211
Recognised in profit or loss	83,509	208,408	–	28,603
Reversal of impairment	(240,238)	(923,301)	(12,332)	(756,067)
Bad debts written off	–	(157,316)	–	(152,316)
At 31 March	320,921	477,650	31,099	43,431

The foreign currency exposure profile of trade receivables other than functional currencies are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
SGD	3,348,669	3,150,719	–	–

### 13. OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	25,556,350	26,722,958	20,186,809	23,453,245
Deposits	7,467,093	7,143,173	1,383,288	2,613,317
Prepayments	4,474,580	4,013,838	2,277,443	2,042,933
	37,498,023	37,879,969	23,847,540	28,109,495

#### Group and Company

The movement in the impairment losses on other receivables of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 April	–	1,841,485	–	1,841,485
Bad debt written off	–	(1,841,485)	–	(1,841,485)
At 31 March	–	–	–	–

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14. DEPOSITS WITH A LICENSED BANK

#### Group and Company

Included is fixed deposits with a licensed bank of the Group and of the Company is RM594,745 (2024 : RM579,102) 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 ranging from 3.4% to 4.1% (2024: 2.50%) per annum. The maturity period of the deposits with a licensed bank at the end of the reporting date is ranging from 3 to 12 months (2024: 12 months).

### 15. SHORT TERM INVESTMENT

This investment represents short term funds managed and invested into money market instruments by fund management company. The short term fund is readily convertible to cash.

### 16. CASH AND BANK BALANCES

The foreign exposure profile of cash and bank balances other than functional currencies are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
USD	29,945	45,124	–	–
SGD	5,467,586	4,628,921	5,467,586	4,628,921

### 17. SHARE CAPITAL

	Group and Company			
	Number of shares	2025 RM	Number of shares	2024 RM
<b>Issued and fully paid :</b>				
At 1 April	744,765,400	175,322,910	740,319,100	173,633,316
Issuance of shares pursuant to ESS exercised	13,196,070	5,014,507	4,446,300	1,689,594
At 31 March	757,961,470	180,337,417	744,765,400	175,322,910

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 RM175,322,910 to RM180,337,417 by way of issuance of 13,196,070 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.

In year 2024, 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.





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 17. SHARE CAPITAL (CONT'D)

#### 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;
- 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%

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 18. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Non-distributable</u>				
Revaluation reserve	118,720,470	121,645,985	42,676,049	43,580,331
Foreign currency translation reserve	(152,966)	(115,523)	–	–
Share option reserve	5,252,987	6,704,555	5,252,987	6,704,555
<u>Distributable</u>				
Retained profits	339,560,738	255,847,600	178,583,146	123,092,753
	463,381,229	384,082,617	226,512,182	173,377,639

#### (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.

#### (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	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current</b>					
<u>Secured</u>					
Bank overdrafts		3,069,860	3,322,092	–	–
Bills payable		14,651,100	40,232,000	–	–
Lease liabilities	19.1	16,464,217	14,483,964	7,474,258	5,361,123
Term loans	19.2	9,439,175	12,899,995	4,198,154	8,609,032
		43,624,352	70,938,051	11,672,412	13,970,155



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19. BORROWINGS (CONT'D)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>Unsecured</b>					
Bank overdrafts		2,227,287	3,773,113	2,227,287	3,773,113
Bills payable		62,887,000	99,068,000	62,887,000	99,068,000
		65,114,287	102,841,113	65,114,287	102,841,113
		108,738,639	173,779,164	76,786,699	116,811,268
<b>Non-current</b>					
<b>Secured</b>					
Lease liabilities	19.1	34,576,184	26,676,759	19,529,856	9,976,648
Term loans	19.2	59,827,937	30,977,954	22,839,704	14,055,768
		94,404,121	57,654,713	42,369,560	24,032,416
<b>Total borrowings</b>					
Bank overdrafts		5,297,147	7,095,205	2,227,287	3,773,113
Bills payable		77,538,100	139,300,000	62,887,000	99,068,000
Lease liabilities	19.1	51,040,401	41,160,723	27,004,114	15,337,771
Term loans	19.2	69,267,112	43,877,949	27,037,858	22,664,800
		203,142,760	231,433,877	119,156,259	140,843,684

		Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM

#### 19.1 Lease liabilities

At 1 April	41,160,723	35,888,259	15,337,771	11,325,201
Acquisition of subsidiary	–	172,123	–	–
Additions	27,343,500	21,010,359	18,841,195	9,493,996
Interest expense charge during the year	2,970,242	2,408,553	1,218,449	759,204
Repayment	(20,458,539)	(18,318,571)	(8,393,301)	(6,240,630)
Remeasurement	24,475	–	–	–
At 31 March	51,040,401	41,160,723	27,004,114	15,337,771

The following are the amount recognised in profit or loss :

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on lease liabilities	2,970,242	2,408,553	1,218,449	759,204
Expenses relating to short term lease	10,537,261	11,181,767	90,920	49,500
Expenses relating to low value lease	11,675,987	9,036,939	5,985,802	4,897,505

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19. BORROWINGS (CONT'D)

#### 19.2 Term loans

The term loans repayment due is as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Within one year	9,439,175	12,899,995	4,198,154	8,609,032
Between one to two years	9,133,940	6,061,077	3,780,300	2,940,943
Between two to five years	27,223,710	15,172,083	12,780,056	7,419,825
After five years	23,470,287	9,744,794	6,279,348	3,695,000
	69,267,112	43,877,949	27,037,858	22,664,800

#### Securities

The bank overdrafts, bills payable, revolving credit and term loans are secured by way of:

- (i) Debenture (specific/general) 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 14;
- (v) Amount due from subsidiaries as disclosed in Note 7; and
- (vi) Corporate guarantee by the Company.

#### 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	
	2025 %	2024 %	2025 %	2024 %
Bank overdrafts	7.81	7.88	7.97	7.94
Bills payable	4.37	4.51	4.31	4.47
Lease liabilities	5.67	5.50	5.31	4.74
Term loans	5.81	5.89	5.67	5.79



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19. BORROWINGS (CONT'D)

#### 19.2 Term loans (Cont'd)

##### 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 2023	141,899,000	–	35,888,259	58,908,031
Acquisition of subsidiary	–	–	172,123	–
Addition	16,020,000	25,097,585	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
Addition	12,143,000	–	27,343,500	38,000,000
Repayment	(73,904,900)	–	(17,488,297)	(12,610,837)
Remeasurement/Derecognised	–	–	24,475	–
At 31 March 2025	77,538,100	–	51,040,401	69,267,112
<b>Company</b>				
At 1 April 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
Addition	–	–	18,841,195	12,800,000
Repayment	(36,181,000)	–	(7,174,852)	(8,426,942)
At 31 March 2025	62,887,000	–	27,004,114	27,037,858

### 20. DEFERRED TAX LIABILITIES

	2025 RM	Group 2024 RM	Company 2025 RM	2024 RM
At 1 April	85,991,952	77,312,162	37,858,208	33,484,044
Recognised in profit or loss	(2,754,376)	8,679,790	(2,920,028)	4,374,164
At 31 March	83,237,576	85,991,952	34,938,180	37,858,208

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 20. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax liabilities and assets are as follows :

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Accelerated capital allowances	52,073,476	53,255,713	22,354,769	24,970,997
Revaluation reserve	26,819,814	27,773,044	8,309,988	8,595,551
Biological assets	10,505,167	10,540,644	6,771,732	5,974,167
Unutilised tax losses and unabsorbed capital allowance	(2,996,146)	(2,126,301)	–	–
Others	(3,164,735)	(3,451,148)	(2,498,309)	(1,682,507)
	83,237,576	85,991,952	34,938,180	37,858,208

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:-

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Other temporary differences	16,852,750	21,894,000	–	–
Unutilised tax losses				
- Expired by YA 2028	2,637,304	2,637,304	–	–
- Expired by YA 2029	4,233,209	4,233,209	–	–
- Expired by YA 2030	7,302,004	7,302,004	–	–
- Expired by YA 2031	3,599,337	3,599,337	–	–
- Expired by YA 2032	2,238,733	2,238,733	–	–
- Expired by YA 2033	4,731,873	413	–	–
	24,742,460	20,011,000	–	–
	41,595,210	41,905,000	–	–

Following the Budget 2022 announced by the Ministry of Finance on 29 October 2021, 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.

### 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:-

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
USD	185,732	384,732	185,732	384,732
EURO	–	144,770	–	144,770
CNY	85,093	–	85,093	–



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 22. OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	16,249,481	14,510,419	5,726,356	1,943,443
Accruals	56,035,712	57,289,893	35,432,474	31,165,487
Deposit received	401,354	86,781	24,845	24,845
	72,686,547	71,887,093	41,183,675	33,133,775

### 23. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue represents:				
Sale of goods	1,073,710,287	1,042,794,342	488,250,641	491,352,744
Timing of revenue recognition:				
At a point in time	1,073,710,287	1,042,794,342	488,250,641	491,352,744

### 24. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Staff costs</b>				
Salaries, wages and bonus	97,761,296	88,513,802	26,144,696	22,646,685
Defined contribution plans	6,923,518	6,711,426	1,193,279	1,165,474
Other benefits	11,582,560	11,310,796	792,830	893,776
Share based expenses	–	8,058,630	–	1,166,000
Directors' emoluments	10,851,218	11,490,180	10,851,218	11,490,180
	127,118,592	126,084,834	38,982,023	37,362,115

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 24. EMPLOYEE BENEFITS EXPENSES (CONT'D)

The details of directors' emoluments are as follows:-

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Fees	329,667	318,752	329,667	318,752
Salaries and bonus	8,931,826	6,774,913	8,931,826	6,774,913
Defined contribution plans	1,587,632	1,490,614	1,587,632	1,490,614
Share based expenses	–	2,904,000	–	2,904,000
Other benefits	2,093	1,901	2,093	1,901
	10,851,218	11,490,180	10,851,218	11,490,180

The estimated monetary value of benefits-in-kind received or receivable by the directors of the Group and of the Company was RM39,450 (2024: RM39,450).

### 25. TAXATION

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
<b>Current tax</b>				
Malaysian Income Tax	25,097,319	20,599,932	15,643,584	10,043,889
Deferred taxation	(2,754,376)	8,679,790	(2,920,028)	4,374,164
	22,342,943	29,279,722	12,723,556	14,418,053
Under/(Over) estimated in prior year	425,407	92,551	(452,833)	(237,154)
<b>Tax expense for the year</b>	22,768,350	29,372,273	12,270,723	14,180,899





## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 25. TAXATION (CONT'D)

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:

	2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
<b>Profit before taxation</b>	109,657,615	119,452,223	72,899,094	36,909,426
<b>Tax at Malaysia statutory tax rate of 24% (2024: 24%)</b>	26,317,828	28,668,534	17,495,783	8,858,262
Income not subject to tax	(2,490,360)	(1,133,733)	(6,396,282)	(670)
Expenses not deductible for tax purposes	2,646,619	2,209,156	1,150,280	3,875,038
(Over)/Under estimated of deferred tax in prior years	(1,676,120)	1,390,463	473,775	1,685,423
Utilisation of reinvestment allowance	–	(232,633)	–	–
Further deduction for employment of senior citizen	(5,410)	(11,184)	–	–
Utilisation of unabsorbed tax losses and capital allowances from prior years	(2,449,614)	(1,610,881)	–	–
Under/(Over) estimated in prior year	22,342,943	29,279,722	12,723,556	14,418,053
	425,407	92,551	(452,833)	(237,154)
<b>Tax expense for the year</b>	<b>22,768,350</b>	<b>29,372,273</b>	<b>12,270,723</b>	<b>14,180,899</b>

### 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.

	2025 RM	Group 2024 RM
Profit for the year attributable to owners of the Company	86,829,883	90,253,342
Weighted average number of ordinary shares in issue	755,202,327	740,813,133
Basic earnings per share (sen)	11.50	12.18

## 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.

	2025 RM	Group 2024 RM
Adjustment weighted average number of ordinary shares applicable to diluted earnings per share	802,956,754	805,714,900
Diluted earnings per share (sen)	10.81	11.20

### 27. DIVIDENDS

	Group and Company 2025 RM	2024 RM
Single tier final dividend of 0.5 sen (2024: 0.3 sen) per ordinary share	3,783,717	2,220,957
Single tier interim dividend of 0.3 sen (2024: Nil) per ordinary share	2,258,543	–
	6,042,260	2,220,957

### 28. RELATED PARTY DISCLOSURES

#### Significant Related Party Transactions

	Company 2025 RM	2024 RM
<b>(a) Transactions with Subsidiaries</b>		
Sales	230,963,338	232,678,839
Purchases	(35,629,188)	(29,897,744)
Management fees	1,266,000	1,266,000
Rental income	30,000	14,600
Interest income	1,380,950	995,646
Dividend income	15,000,000	–
Marketing expense	(2,628,630)	(1,043,606)
Waste management disposal	(3,120,000)	(3,120,000)

#### (b) Transactions with Associate

<b>Company</b>		
Rental income	–	15,430



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 28. RELATED PARTY DISCLOSURES (CONT'D)

#### 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries and bonuses	2,030,390	1,681,563	560,492	485,961
Defined contribution	243,572	229,502	52,863	42,892
Other benefits	6,036	5,547	2,210	1,971
	2,279,998	1,916,612	615,565	530,824

### 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.

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.

2025	Integrated livestock farming RM	Food manufacturing RM	Retail business RM	Elimination RM	Consolidation RM
<b>Revenue</b>					
External customers	413,797,856	426,083,931	233,828,500	–	1,073,710,287
Inter-segment	411,013,609	177,052,543	–	(588,066,152)	–
Total revenue	824,811,465	603,136,474	233,828,500	(588,066,152)	1,073,710,287

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 29. SEGMENTAL REPORTING (CONT'D)

2025	Integrated livestock farming RM	Food manufacturing RM	Retail business RM	Elimination RM	Consolidation RM
<b>Results</b>					
Segment results	86,796,434	36,538,940	593,279	(2,347,358)	121,581,295
Finance costs	(9,448,946)	(2,663,304)	(1,192,380)	1,380,950	(11,923,680)
Profit before taxation	77,347,488	33,875,636	(599,101)	(966,408)	109,657,615
Taxation	(17,148,570)	(5,359,024)	(260,756)	–	(22,768,350)
Profit/(Loss) for the year	60,198,918	28,516,612	(859,857)	(966,408)	86,889,265
<b>Other information</b>					
Segment assets	819,201,583	241,204,112	45,629,271	(6,799,172)	1,099,235,794
Segment liabilities	289,987,943	117,620,474	35,426,040	842,700	443,877,157
Capital expenditure	43,964,433	14,675,745	8,720,582	–	67,360,760
Depreciation and amortisation	29,534,285	15,304,060	6,864,917	–	51,703,262
Interest expense	9,448,946	2,663,304	1,192,380	(1,380,950)	11,923,680
Interest income	(2,279,867)	(707,524)	(64,056)	1,380,950	(1,670,497)
<b>Other non-cash item</b>					
Non-cash items other than depreciation and amortisation					149,570
<b>2024</b>	<b>Integrated livestock farming RM</b>	<b>Food manufacturing RM</b>	<b>Retail business RM</b>	<b>Elimination RM</b>	<b>Consolidation RM</b>
<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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 29. SEGMENTAL REPORTING (CONT'D)

2024	Integrated livestock farming RM	Food manufacturing RM	Retail business RM	Elimination RM	Consolidation RM
<b>Other information</b>					
Segment assets	796,032,099	214,932,492	48,132,122	(5,527,954)	1,053,568,759
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	10,019,104	2,016,586	1,228,961	(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)

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial risk management policies (Cont'd)

##### (i) Interest rate risk (Cont'd)

The interest rate profile of the Group's and the Company's significant interest bearing financial instruments, based on the carrying amount as at the end of the reporting period is as follows :

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Fixed rate instruments</b>				
Lease liabilities	51,040,401	41,160,723	27,004,114	15,337,771
<b>Floating rate instruments</b>				
Bank overdrafts	5,297,147	7,095,205	2,227,287	3,773,113
Bills payable	77,538,100	139,300,000	62,887,000	99,068,000
Term loans	69,267,112	43,877,949	27,037,858	22,664,800

##### 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 RM760,512 (2024 : RM951,366) and RM460,761 (2024: RM627,530) higher/lower. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

##### (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.



## 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>2025</b>					
<b>Financial liabilities:</b>					
Trade and other payables	151,380,368	151,380,368	151,380,368	-	-
Bank overdrafts	5,297,147	5,297,147	5,297,147	-	-
Bills payable	77,538,100	77,538,100	77,538,100	-	-
Lease liabilities	51,040,401	57,144,925	19,211,426	37,308,152	625,347
Term loans	69,267,112	85,521,721	13,123,225	45,801,931	26,596,565
	354,523,128	376,882,261	266,550,266	83,110,083	27,221,912
Financial guarantee contracts*	-	8,300,954	8,300,954	-	-
<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)

Company	Carrying amount RM	Contractual undiscounted cash flows RM	Within one year RM	Between two to five years RM	After five years RM
<b>2025</b>					
<b>Financial liabilities:</b>					
Trade and other payables	75,855,376	75,855,376	75,855,376	-	-
Amount due to subsidiaries	60,372,749	60,372,749	60,372,749	-	-
Bank overdrafts	2,227,287	2,227,287	2,227,287	-	-
Bills payable	62,887,000	62,887,000	62,887,000	-	-
Lease liabilities	27,004,114	30,315,203	8,848,090	21,218,141	248,972
Term loans	27,037,858	32,001,492	5,602,866	19,904,248	6,494,378
	255,384,384	263,659,107	215,793,368	41,122,389	6,743,350
Financial guarantee contracts*	-	155,785,000	155,785,000	-	-
<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*	-	183,643,800	183,643,800	-	-





## 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>2025</b>				
Not past due	63,836,792	–	–	63,836,792
Up to 90 days past due	22,843,452	–	–	22,843,452
More than 91 days past due	581,329	(72,990)	(247,931)	260,408
	23,424,781	(72,990)	(247,931)	23,103,860
	87,261,573	(72,990)	(247,931)	86,940,652

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial risk management policies (Cont'd)

##### (iv) Credit Risk (Cont'd)

The following ageing of trade receivables provides information about the exposure to credit risk and ECLs for trade receivables: (Cont'd)

Group	Gross-carrying amount RM	Individual impairment RM	ECL RM	Net balance RM
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#### 2024

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

Company	Gross-carrying amount RM	Individual impairment RM	ECL RM	Net balance RM
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#### 2025

Not past due	15,111,197	–	–	15,111,197
Up to 90 days past due	7,623,121	–	–	7,623,121
More than 91 days past due	893,030	–	(31,099)	861,931
	8,516,151	–	(31,099)	8,485,052
	23,627,348	–	(31,099)	23,596,249

#### 2024

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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial risk management policies (Cont'd)

##### (iv) Credit Risk (Cont'd)

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 2025, the Group and the Company have significant concentration of credit risk in the form of outstanding balances of approximately RM26,125,359 and RM7,945,531 due from five major trade receivables (2024: RM22,317,691 and RM10,641,834) which represents 30% and 34% (2024: 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.

##### Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of banking facilities granted to subsidiaries.

The maximum exposure to credit risk representing the maximum amount the Company could pay if the guarantee is called was RM153,354,000 (2024 : RM181,242,800) in respect of the corporate guarantees given to financial institutions for banking facilities granted to the subsidiaries.

The maximum exposure to credit risk of the Group and of the Company are RM8,300,954 (2024 : RM7,743,570) and RM2,431,000 (2024 : RM2,401,000) respectively in respect of the corporate guarantees given to the service providers of the Group and of the Company as at the reporting date.

Generally, the Group and the Company consider the financial guarantees have low credit risk. As at reporting date, there was no allowance for expected credit losses as determined by the Group and the Company for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancement to the subsidiaries' borrowings.

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 30. FINANCIAL INSTRUMENTS (CONT'D)

#### (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>2025</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	3,402,000
Quoted shares (Note 8)	31.03.2025	4,624,896	–	–
Biological assets (Note 10)	31.03.2025	–	–	104,237,842
<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 8)	31.03.2024	339,666	–	–
Biological assets (Note 10)	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>Company</b>				
<b>2025</b>				
Assets measured at fair value :				
Property, plant and equipment (Note 5)	01.03.2021	–	118,776,830	–
Quoted shares (Note 8)	31.03.2025	4,621,902	–	–
Biological assets (Note 10)	31.03.2025	–	–	66,676,544
<b>2024</b>				
Assets measured at fair value :				
Property, plant and equipment (Note 5)	01.03.2021	–	118,776,830	–
Quoted shares (Note 8)	31.03.2024	336,558	–	–
Biological assets (Note 10)	31.03.2024	–	–	61,142,151

#### (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)

	Carrying amount RM	AC RM	FVPL RM	FL RM
<b>Group</b>				
<b>2025</b>				
<b>Financial assets</b>				
Other investments	4,817,896	–	4,817,896	–
Trade and other receivables	119,964,095	119,964,095	–	–
Deposits with a licensed bank	10,594,745	10,594,745	–	–
Short term investment	10,141,404	10,141,404	–	–
Cash and bank balances	54,927,607	54,927,607	–	–
	200,445,747	195,627,851	4,817,896	–

## 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 (Cont'd)</b>				
<b>2025</b>				
<b>Financial liabilities</b>				
Trade and other payables	151,380,368	–	–	151,380,368
Borrowings	203,142,760	–	–	203,142,760
	354,523,128	–	–	354,523,128
<b>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>Company</b>				
<b>2025</b>				
<b>Financial assets</b>				
Other investments	4,739,902	–	4,739,902	–
Trade and other receivables	45,166,346	45,166,346	–	–
Amount due from subsidiaries	176,231,217	176,231,217	–	–
Deposits with licensed banks	10,000,000	10,000,000	–	–
Short term investment	10,141,404	10,141,404	–	–
Cash and bank balances	31,837,001	31,837,001	–	–
	278,115,870	273,375,968	4,739,902	–
<b>Financial liabilities</b>				
Trade and other payables	75,855,376	–	–	75,855,376
Amount due to subsidiaries	60,372,749	–	–	60,372,749
Borrowings	119,156,259	–	–	119,156,259
	255,384,384	–	–	255,384,384



## 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 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

### 31. CAPITAL COMMITMENT

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Capital expenditure for property plant and equipment:				
Approved and contracted for	27,744,000	14,293,000	7,947,000	10,522,000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 32. 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Total borrowings (Note 19)	203,142,760	231,433,877	119,156,259	140,843,684
Less : Deposit with licensed banks	(10,594,745)	(579,102)	(10,000,000)	–
Short term investment	(10,141,404)	–	(10,141,404)	–
Cash and bank balances	(54,927,607)	(59,108,442)	(31,837,001)	(26,814,765)
	127,479,004	171,746,333	67,177,854	114,028,919
Total equity	655,358,637	570,986,136	406,849,599	348,700,549
Debt-to-equity ratio	<b>0.19</b>	<b>0.30</b>	<b>0.17</b>	<b>0.33</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 93 to 167 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 2025 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

---

DATO' YEAP WENG HONG

Klang, Selangor  
Dated : 7 July 2025

# 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 93 to 167 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 7 July 2025

Before me,

---

NG KIM TIAN  
(Director)

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2025

Issued & Fully Paid-up Capital : 758,100,770 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.	INNOFARM SDN. BHD.	117,600,000	15.51
2.	YAP HOONG CHAI	47,512,000	6.27
3.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD.	27,200,000	3.59
4.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. - CIMB FOR INNOFARM SDN. BHD. (PB)	25,606,000	3.38
5.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHENG YING YING (CHE3060M)	22,939,390	3.03
6.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN BHD (MY3045)	19,000,000	2.51
7.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW (MK0111)	12,783,000	1.69
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	11,200,000	1.48
9.	YAYASAN GURU TUN HUSSEIN ONN	10,000,000	1.32
10.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR YAP HOONG CHAI (YAP2110M)	9,384,700	1.24
11.	LAW KING YONG	7,009,000	0.92
12.	YEAP WENG HONG	6,812,000	0.90
13.	LAW KING YONG	6,770,000	0.89
14.	RHB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW	6,350,000	0.84
15.	YIP KIM HOONG	5,702,370	0.75
16.	HO CHIN LIANG	5,660,000	0.75
17.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LING HEE KEAT	5,150,000	0.68
18.	PHILLIP NOMINEES (TEMPATAN) SDN. BHD. - EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN. BHD. (EPF)	4,817,700	0.64
19.	CARTABAN NOMINEES (ASING) SDN. BHD. - THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	4,671,600	0.62
20.	NG CHEW KEE	4,412,300	0.58



## 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.	YEAP FOCK HOONG	4,340,000	0.57
22.	UNG YOKE HONG	4,307,700	0.57
23.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR TAY LEK HENG (E-JAH)	4,000,000	0.53
24.	CHNG KIM CHYE	3,952,600	0.52
25.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW (KUCHING-CL)	3,752,000	0.49
26.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR CHIEW CHIENG SIEW (E-PDG)	3,101,400	0.41
27.	TARGETLINK SDN. BHD.	3,026,800	0.40
28.	LIM YOKE SIM	2,879,100	0.38
29.	LIM KIM KEOW	2,800,000	0.37
30.	YAP CHOR HOW	2,720,000	0.36
	<b>TOTAL</b>	<b>395,459,660</b>	<b>52.19</b>

### SHAREHOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	%
1 - 99	145	3,353	*0.00
100 - 1,000	936	516,900	0.07
1,001 - 10,000	3,122	19,199,727	2.53
10,001 - 100,000	3,123	111,484,130	14.71
100,001 to less than 5% of the issued shares	623	461,784,660	60.91
5% and above of the issued shares	2	165,112,000	21.78
<b>TOTAL</b>	<b>7,951</b>	<b>758,100,770</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	NO. OF SHARES HELD			
	DIRECT	%	INDIRECT	%
1. Innofarm Sdn. Bhd.	191,795,800	25.30	–	–
2. Dato' Yap Hoong Chai	56,896,700	7.51	191,795,800*	25.30

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	NO. OF SHARES HELD			
	DIRECT	%	INDIRECT	%
1. Dato' Yap Hoong Chai	56,896,700	7.51	226,510,660*	29.88
2. Dato' Yap Chor How	3,103,700	0.41	–	–
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, 191,795,800 shares by virtue of Innofarm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016



# LIST OF TOP 10 PROPERTIES AS AT 31ST MARCH 2025

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	5-8	15,534	1/3/2021
Lot Nos. 1717/8/9 & 1720 Mukim of Ayer Panas Jasin, Melaka	Layer Farm & Fertiliser Plant & Building	40.4	Freehold	7-40	14,850	1/3/2021
Lot Nos. 739/40 & 741 Mukim Api-Api Kuala Selangor	Breeder Farm	15.0	Freehold	5-22	13,866	1/3/2021
Lot No. 4857 Mukim of Jeram Kuala Selangor	Layer Farm & Feedmill	25.0	Freehold	5-41	13,053	1/3/2021
GM1134, Lot No. 2809 Mukim of Jeram Kuala Selangor	Layer Farm	5.0	Freehold	5-9	12,539	1/3/2021
Lot Nos. 1475/6 Lot Nos. 253 & 244 Mukim Pasangan Kuala Selangor	Breeder Farm & Hatchery	18.5	Freehold	9-27	12,243	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)	6-21	12,234	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	16	11,763	1/3/2021
NT. No. 043081625, Tamparuli, Sabah	Layer Farm	9.1	Leasehold 'Feb 2037	13	11,482	1/3/2021
Lot Nos. 16458/9 Mukim of Tanjung Karang Kuala Selangor	Processing Plant	2.0	Leasehold 'Aug 2080	8-11	9,652	1/3/2021

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-first ("41st") Annual General Meeting ("AGM") of LAY HONG BERHAD (the "Company") will be held at Ballroom 1&2, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Persiaran Bukit Raja 2/ KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on **Thursday, 25 September 2025 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 2025 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 0.4 sen per ordinary share for the financial year ended 31 March 2025.                            | <b>Ordinary Resolution 1</b><br>(See Explanatory Note 11) |
| 3. To approve the payment of Directors' Fees of RM350,000.00 for the financial year ended 31 March 2025.                                                       | <b>Ordinary Resolution 2</b>                              |
| 4. To re-elect the following Directors who are retiring under Clause 134 of the Constitution of the Company:                                                   |                                                           |
| i. Dato' Yeap Weng Hong                                                                                                                                        | <b>Ordinary Resolution 3</b>                              |
| ii. Mr. Wong Soo Thiam                                                                                                                                         | <b>Ordinary Resolution 4</b>                              |
| iii. Madam Tham Wei Mei                                                                                                                                        | <b>Ordinary Resolution 5</b><br>(See Explanatory Note 12) |
| 5. To re-appoint Messrs. Tai, Yapp & Co. PLT as Auditors for the financial year ending 31 March 2026 and to authorise the Directors to fix their remuneration. | <b>Ordinary Resolution 6</b>                              |

## SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 6. <b>Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") ("Proposed General Mandate")</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Ordinary Resolution 7</b><br>(See Explanatory Note 13) |
| <p>"<b>THAT</b> subject always to Sections 75 and 76 of the CA 2016, the Constitution, the Main Market Listing Requirements ("<b>MMLR</b>") of Bursa Malaysia Securities Berhad ("<b>Bursa Securities</b>") 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 42nd AGM or when it is required by law to be held, whichever is earlier, <b>AND THAT</b> 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.</p> <p><b>THAT</b> 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.</p> |                                                           |



## 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 No. 202008002451)**  
Company Secretary

Selangor Darul Ehsan  
Date: 31 July 2025

### 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 notorially certified copy thereof, must be deposited at the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or fax to 03-3008 1124 or email to [secretary@prosec.com.my](mailto:secretary@prosec.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 17 September 2025, 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 2025

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 41st AGM, a Final Single Tier Dividend of 0.4 sen per share will be paid on 13 November 2025 to the shareholders whose names appear in the Record of Depositors at the close of business on 15 October 2025.

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 2025 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

Re-election of Directors Dato' Yeap Weng Hong, Mr. Wong Soo Thiam ("Mr. Wong") and Madam Tham Wei Mei ("Madam Tham") being eligible, have offered themselves for re-election 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. Wong and Madam Tham have complied with the criteria of independence based on the MMLR and remain their independent in exercising their judgement and carry out their role as Independent Directors.

### 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.

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 2024 and this authority will lapse as the conclusion of the 41st AGM of 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)

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 2025 circulated together with this Annual Report.

#### 15. Personal Data Privacy

By registering for the meeting 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 41st Annual General Meeting of the Company will be held at Ballroom 1&2, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on **Thursday, 25 September 2025** 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 2025		
3.	Re-election of Dato' Yeap Weng Hong		
4.	Re-election of Mr. Wong Soo Thiam		
5.	Re-election of Madam Tham Wei Mei		
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 ..... 2025.

.....  
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 DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or fax to 03-3008 1124 or email to [secretary@prosec.com.my](mailto:secretary@prosec.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 17 September 2025, 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 2025.

Please fold here to seal

AFFIX  
STAMP

The Company Secretary  
**LAY HONG BERHAD**  
Registration No. 198301011738 (107129-H)  
DF2-09-02, Level 9, Persoft Tower  
6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya, Selangor Darul Ehsan

Please fold here to seal

Fold this flap for sealing



## **LAY HONG BERHAD**

(198301011738 (107129-H)) Incorporated in Malaysia

DF2-09-02, Level 9, Persoft Tower  
6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya, Selangor Darul Ehsan  
Tel: 03 3008 1123 Fax: 03 3008 1124

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