

Hatching For The Future

Teo Seng Capital Berhad is committed to building a sustainable and resilient future by integrating innovative practices, responsible layer farming and a dedicated workforce. Guided by our tagline, “Hatching for the Future”, we strive to address evolving market demands while fostering long-term value for our stakeholders and the environment. Together, we are laying the foundation for a prosperous and sustainable tomorrow.



SUSTAINABILITY STATEMENT

This Sustainability Statement (“Statement”) outlines the commitment of Teo Seng Capital Berhad (“Teo Seng” or “the Group”) towards sustainability across the Economic, Environmental, Social and Governance (“EESG”) dimensions for the financial year ended 2025. This Statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Berhad (“Bursa”) with reference to the Sustainability Reporting Guide and its accompanying Toolkits issued by Bursa.

The Board recognises the importance of maintaining a sustainable business model that takes into account the various factors affecting the Group’s long-term performance. By integrating sustainable practices into our business strategies and operations, the Group aims to create long-term value for shareholders while taking into consideration the interests of our

key stakeholders, including investors, customers, suppliers, employees, regulators and the communities in which we operate.

Guided by the Group’s tagline, “Hatching for the Future” and the Happy Egg slogan, “Healthy Eggs Happy Life”, Teo Seng integrates sustainability considerations into our core values, business operations and strategic initiatives. These guiding principles support the Group’s efforts to create long-term value for shareholders, uphold sound governance practices, strengthen stakeholder engagement and minimise our environmental footprint.

FEEDBACK AND COMMENTS

We value feedback from our stakeholders as it plays a vital role in enhancing our sustainability performance and development. We encourage stakeholders to share their views or feedback with us through <http://teoseng.com.my/contact/>.

Or scan the QR Code for direct access



SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE AND POLICIES

The Board has delegated the oversight of the Group's sustainability agenda to the Sustainability Steering Committee, which comprises members of the senior management team. The Committee reports to the Audit Committee of the Board and is responsible for overseeing the implementation and progress of the Group's EESG initiatives, reflecting the Group's commitment to sustainable business practices. Through this structure, the Group continues to integrate sustainability principles into its business operations, including strategic planning and day-to-day activities.

In navigating the complexities of today's business environment, the Sustainability Steering Committee will lead our efforts to achieve long-term sustainability goals, enhance value for stakeholders and create a positive impact on the communities we serve. The Sustainability Steering Committee is tasked with the following duties and responsibilities:

- Develop sustainable strategies, policies, and goals with direct involvement from management and recommends necessary revision to the Board;
- Provide comprehensive oversight and guidance on the Group's sustainability agenda, ensuring it aligns with the organisation's values and commitment;
- Review assessment of sustainability risks and opportunities and advise strategic positioning to the Board on emerging sustainability risks and opportunities;
- Evaluate the effectiveness of sustainability strategies, policies, and goals;
- Review and examine materiality assessment process, its outcomes and relevant reports, as well as the Group's Sustainability Statements prior to Board's approval; and
- Recommend and align Group's sustainability-linked targets with performance evaluation of the Board and senior management.

The Group's sustainability governance structure is depicted as follows:



The Board holds overall responsibility for overseeing the Group's sustainability performance, including the review of sustainability reporting. Recognising that sustainability is an ongoing journey aligned with the Group's growth and development, the Board also considers feedback from stakeholders to enhance the Group's approach, ensuring that key sustainability matters are appropriately addressed and integrated into strategic planning.

SUSTAINABILITY STATEMENT

VISION

Enhance **sustainability of business** by focusing on **cost effectiveness** and **develop corporate value** that is align with the vision.



MISSION

- i. To innovate variety of **egg products** to satisfy different group of people.
- ii. Keeping pace with the time, develops **fully-integrated layer farming system** and absorbs **industrially-advanced technologies & knowledge** which aims to **sustain competitive advantages**.
- iii. To instil professional mind-set of importance of cost-benefit to **all level of the participants in company**, including general workers, middle-management and top management to **improve cost effectiveness**.

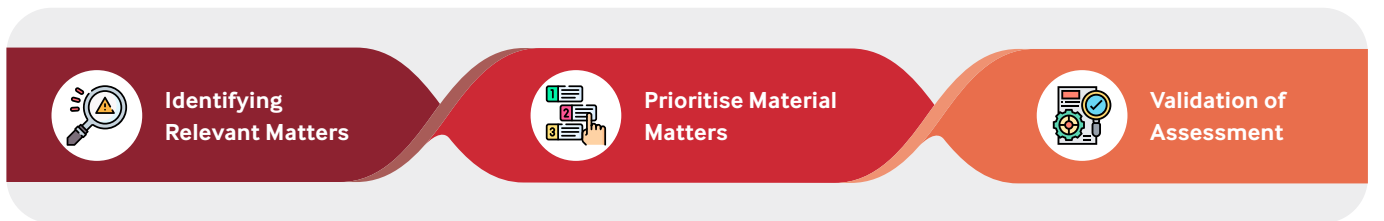
Vision and Mission of the Group

MATERIAL SUSTAINABILITY MATTERS

To drive sustainability in alignment with the Group’s vision and mission, the Sustainability Working Team identifies key sustainability matters by evaluating stakeholder feedback, insights, and potential events that could impact our ability to achieve objectives. These matters are assessed based on their significance to stakeholders and their relevance to the Group’s ongoing operations.

Teo Seng recognises that sustainability is an ongoing journey that requires continuous improvement in our corporate culture and active engagement with stakeholders. In this regard, the Group seeks to address stakeholder expectations while incorporating ESG sustainability considerations into its operations. The Group engages with various stakeholder groups through multiple communication channels to better understand their views and address relevant concerns.

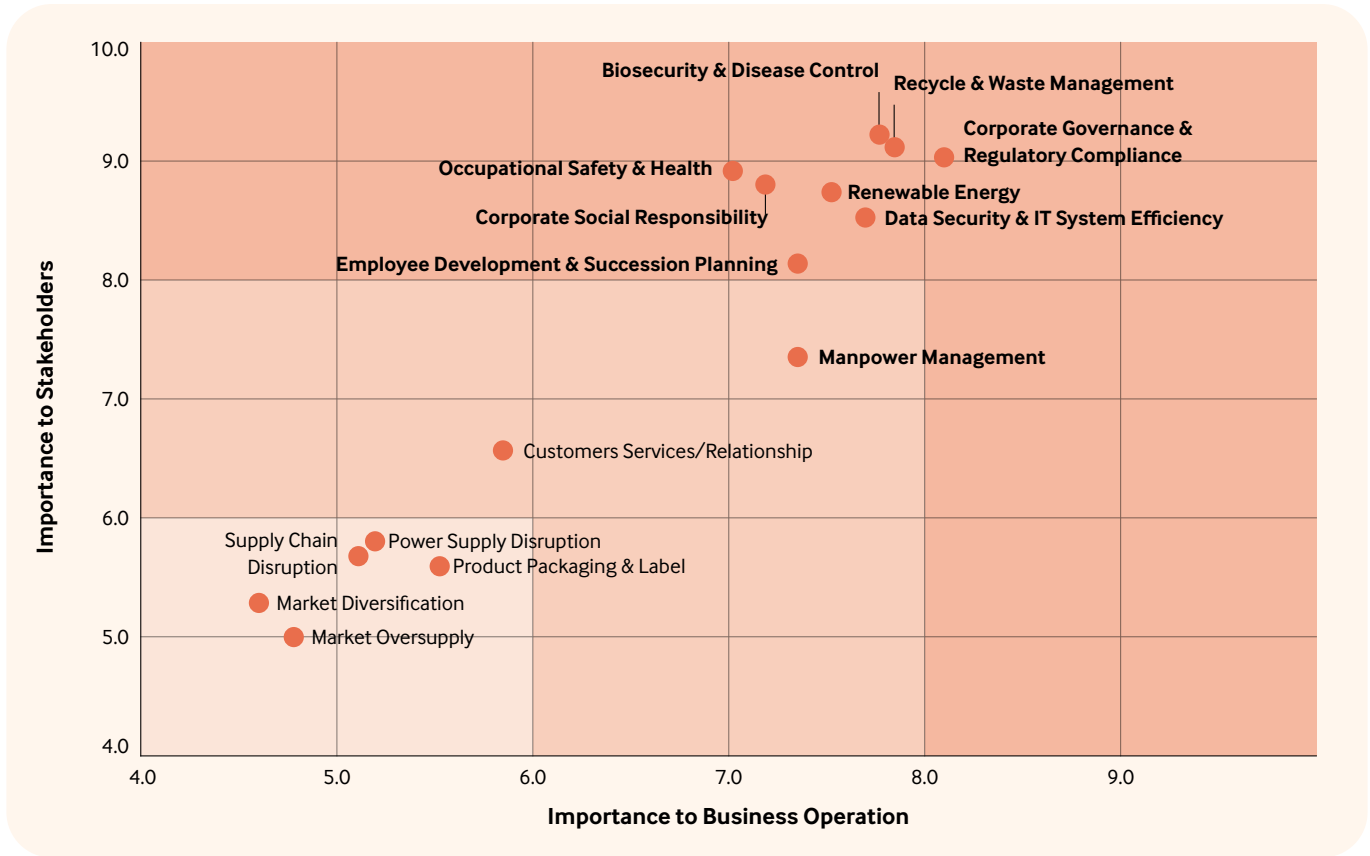
Materiality Assessment Process



The materiality assessment process for the Group’s Sustainability Statement begins with the identification of relevant sustainability matters through stakeholder engagement and a review of the Group’s operations. These matters are then evaluated based on established sustainability criteria, taking into consideration both internal (organisational) and external (stakeholder) perspectives. The matters are prioritised according to their relevance to the Group’s business operations and their significance to stakeholders. Out of the 15 matters identified, 9 have been prioritised as material matters, while the remaining matters continue to be monitored as they remain relevant to the Group’s sustainability journey.


SUSTAINABILITY STATEMENT

MATERIALITY MATRIX























Following the identification and assessment of material sustainability matters, our focus shifts to developing response plans aimed at addressing these concerns. These plans aim to integrate sustainability considerations into our operations, products and services, aligning them with our overarching ESG objectives. Implementation of these sustainability initiatives involves proactive measures to mitigate risks, seize opportunities and enhance our overall sustainability performance. This process is dynamic, involving regular monitoring, evaluation and adaptation to ensure continuous improvement in managing material sustainability matters.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (“SDG”)

| Aspect | Material Matters | Relevant SDGs | How We Contribute to the Relevant SDGs |
|---|----------------------------------|---|--|
| Economic and Market Place  | Biosecurity and Diseases Control |   | <ul style="list-style-type: none"> Proactive biosecurity measures Closed-house system All-in-all-out management system Disperse farms in different locations Experience and professional veterinarian team Comply with Department of Veterinary Services Malaysia (“DVS”) requirements |
| | Manpower Management |   | <ul style="list-style-type: none"> Recruitment planning and restructuring of operation mode Implementation of automation system |

SUSTAINABILITY STATEMENT

| Aspect | Material Matters | Relevant SDGs | How We Contribute to the Relevant SDGs |
|---|--|---|--|
| Economic and Market Place  | Data Security and IT System Efficiency |   | <ul style="list-style-type: none"> Implementation and regular review of IT policies and procedures Firewall and anti-virus protection Protected network access Secondary backup storage in Disaster Recovery Centre System Access Control and Management Cybersecurity awareness program |
| Environmental  | Waste Management |    | <ul style="list-style-type: none"> Environmental-friendly paper egg trays production Convert manure into organic fertiliser Wastewater treatment system |
| | Renewable Energy |    | <ul style="list-style-type: none"> Installation of solar photovoltaic systems across farms and factories Adoption of energy-efficient equipment and appliances Use of electric vehicles |
| Social  | Occupational Safety and Health |   | <ul style="list-style-type: none"> Safety and Health Committee Safety and Health Policy and Procedures Safety and Health Training Incident and accident investigation Personal protective equipment Provides healthcare insurance and benefits to employees |
| | Employee Development and Succession Planning |    | <ul style="list-style-type: none"> Employee health and wellness programme Periodical performance assessment Diversity within workforce Training and development |
| | Corporate Social Responsibility |   | <ul style="list-style-type: none"> Donation of eggs to those who are in need Support and participation in community initiatives Provides sponsorship to charitable and educational organisations |
| Governance  | Corporate Governance and Regulatory Compliance |  | <ul style="list-style-type: none"> Corporate Affair Committee Code of conduct and ethics for directors Employees' handbook Anti-corruption policy & procedure Whistleblowing policy Enterprise Risk Management & Sustainability Governance Framework |

SUSTAINABILITY STATEMENT



Economic and Market Place Biosecurity and Diseases Control

Stakeholders Group:



Board of
Directors



The
Management



Customers



Regulatory
Authorities

Engagement Channel:

- On-going Meeting and Interaction

Infectious disease outbreaks remain one of the most significant operational risks to poultry farming. Outbreaks of disease could adversely affect livestock health, reduce productivity, increase mortality rates among our layer stocks, consequently impact our revenue, profitability and brand reputation. Recognising its severity, management has implemented rigorous biosecurity measures across all farms to minimise exposure and mitigate potential impacts.

Our farms continue to operate under the Closed-House System ("CHS") and All-In-All-Out ("AIAO") layer farming management system both systems regarded as best practices in biosecurity management. The CHS provides a fully controlled rearing environment, incorporating regulated temperature, optimised ventilation and strict biosecurity barriers in which controlled environment minimises exposure to external disease vectors. By maintaining isolation with hygienic environment, we are able to safeguard layer health while optimising productivity and feed efficiency.

The AIAO has been adopted in our farms, where full cleaned-out and disinfection in accordance with established procedures are practice for growing and laying for the purpose of better control of disease. Recognised as a leading practice in the layer farming industry, the AIAO system not only enhances performance through higher egg production and quality but also serves as an effective and efficient method for disease prevention.

As of 2025, our farming operations remain distributed across 25 strategically located farms, reducing concentration risk and strengthening operational resilience. Our farms continue to

be accredited under the Malaysian Good Agricultural Practice ("MyGAP") certification by the Department of Veterinary Services Malaysia. This certification affirms our compliance with stringent standards in farm hygiene, animal health management, biosecurity and disease prevention practices.

Our experienced veterinarians and operations teams leverage their expertise and stay updated on the latest industry practices to meticulously monitor farming activities. They have established stringent biosecurity protocols and conduct regular internal reviews to ensure their effectiveness. As part of our biosecurity initiatives, farm employees are also required to receive ongoing training to strengthen disease prevention awareness and emergency response readiness. To ensure security, access to our farms is strictly regulated and outsiders must obtain prior authorisation. Authorised visitors must adhere to strict rules, including disclosing previous farm visits and complying with designated clothing and equipment requirements.

The Group's farm facilities are equipped with disease prevention and ventilation systems and undergo regular cleaning and disinfection processes to maintain high standards of hygiene and biosecurity. Our livestock are provided with proper care, including specialised feed, balanced nutrition and clean water to support their health and well-being. Since the commencement of the Group's layer farming operations, there have been no significant disease outbreaks reported. These practices support the Group's operational stability, enhance productivity and reinforce its position as a reliable player in the industry.

SUSTAINABILITY STATEMENT



Economic and Market Place Manpower Management

Stakeholders Group:



Board of Directors



The Management



Employees



Customers

Engagement Channel:

- On-going Meeting and Interaction

The operation of integrated layer farming involves a diverse range of functions from farm operations to transportation, grading, packaging and food processing, each stage of the process requires a considerable skilled and manual worker. Skilled workers are essential for tasks such as farm management and veterinary care, ensuring the health and welfare of our livestock. While transportation of feeds and farm produces relies on drivers and proficient personnel capable of managing logistics efficiently. Additionally, the grading and packaging processes require manual labour in sorting and packaging products according to quality standards and customer requirements. The support of technicians is also critical for mechanical maintenance and repair to ensure the smooth operation of machinery and equipment. In food processing facilities, semi-skilled workers operate machinery and equipment to ensure the quality, safety and acceptable yield rates of processed products. Overall, the success of integrated farming operations relies on a diverse workforce with a range of skills to execute each stage of the production process seamlessly, all while operating continuously throughout the week.

To address the ongoing challenge of manpower requirements, the Group has placed emphasis on professional and timely recruitment planning through its Human Resources ("HR") Department. This includes recruitment efforts targeting both skilled and manual workers, as well as foreign workers. For instance, proactive planning for the recruitment of part-time workers during festival seasons has been implemented to minimise operational disruptions. The HR Department is also grooming potential employees via development courses or trainings to acquire the necessary skills and expertise to fulfil specialised manpower needs.

To reduce reliance on manual labour, the company has introduced innovative measures including restructuring layer farming operations to streamline processes and minimise manual intervention. Additionally, the Group is actively adopting advanced technologies such as automation systems, modern machinery, conveyor systems and state-of-the-art equipment to enhance efficiency and productivity. Building technological advancements, we invested an additional new advanced egg grading machine to support growing production demands with operational efficiency improved by 15% in terms of grading capacity. Furthermore, during the financial year the Group also invested a Layer Guard Robot which capable of detecting and identifying dead, weak, sick and non-laying hens more efficiently than manual inspection, particularly at higher tiers of the cage system. This enables earlier removal of hens without rearing value, thereby reducing feed wastage and minimising the risk of disease transmission. These investments aim to enhance efficiency and productivity while simultaneously reducing dependence on manual labour.

In response to increasing transportation demand, the Group has strategically outsourced certain long-distance delivery routes to external logistics partners. This approach enhances operational efficiency, supports cost optimisation and ensures the timely and reliable delivery of products to their destinations. These initiatives also help the Group balance manpower requirements while maintaining its competitive advantages. Importantly, the Group remains committed to safeguarding the welfare of all employees, both local and foreign, while adhering to relevant safety and health practices to ensure a safe and conducive working environment.



Economic and Market Place Data Security and IT System Efficiency

Stakeholders Group:



Board of Directors



The Management



Employees



Customers

Engagement Channel:

- On-going Meeting and Interaction
- Periodic Assessment
- Internal Training

In today’s increasingly digital business environment, Information Technology (“IT”) plays an integral role in supporting and enhancing business operations, improving efficiency and enabling organisations to remain competitive. As reliance on digital systems and data-driven processes continues to grow, ensuring information security and protecting sensitive data have become critical priorities for businesses. Inadequate management of cybersecurity risks may lead to operational disruptions, reputational damage and potential regulatory consequences. Recognising these risks, the Group is committed to maintaining the security, integrity and confidentiality of information relating to our clients and employees, while ensuring accountability in the management and handling of data.

As cyber threats continue to evolve in complexity and scale, protecting sensitive information requires continuous monitoring and proactive risk management. To strengthen our data protection framework, the Group enforces relevant policies and procedures governing the use, access and management of information across all departments. The IT Department has established and regularly reviews various policies and procedures related to system change management, system access control and management, data and system backup as follow:

IT Policies & Procedures

| No. | Policy & Procedure | Year of Implementation/ Review | Objective/Protection |
|-----|------------------------------------|-----------------------------------|---|
| 1. | Data & System Backup | August 2025 | To provide secure backup capabilities, ensuring all data remains accessible in the event of a disaster or any other circumstance that could result in data loss. |
| 2. | Information Technology & System | August 2025 | To ensure the effective protection and proper usage of Teo Seng IT Resources by all relevant parties, including both internal and external stakeholders. |
| 3. | System Access Control & Management | August 2025 | To define access controls and monitoring necessary to ensure an appropriate level of protection for information, systems and resources. |
| 4. | System Change Management | August 2025 | Provide standardised methods and procedures to meet the change management requirements supporting the company’s operations. |
| 5. | Cyber Security Policy | August 2025 | To protect cyber data and infrastructure and outline the protocols and guidelines governing cyber security with rule of use and disciplinary process for violation. |
| 6. | IT Issues Management | August 2025 | To ensure that all issues are identified, tracked and resolved in a timely manner, minimising downtime and disruption to business operations. |
| 7. | Disaster Recovery Plan | August 2025 | To ensure that the IT services and other related services are restored to business-as-usual as soon as possible in the event of disaster happened. |

SUSTAINABILITY STATEMENT

In general, the Group's data protection measures include controls over information flow and usage, restricted system access, strong user password, firewall and antivirus protection, the use of licensed software, secure network access and regular data backups. These measures are designed to minimise cybersecurity risks and ensure the reliability and integrity of the Group's information systems.

The Group regularly reviews its Cyber Security Policy to strengthen cybersecurity practices across all company-issued digital devices as well as personal devices used for work purposes. This policy sets out clear protocols and guidelines to enhance the protection of the Group's digital infrastructure and information assets. In addition, the Group places strong emphasis on the human element of cybersecurity. Recognising that employees play an important role in protecting information assets, selected employees participated in Cybersecurity Awareness Training Series and Assessments in 2025. The training and assessments aimed to enhance employees' understanding of emerging cyber threats, phishing risks, safe digital practices and incident reporting procedures. This initiative reflects the Group's proactive approach to cybersecurity by fostering greater awareness, accountability and vigilance across the organisation.

We have also implemented a two-tier system backup protection strategy. The primary backup storage is a Synology device located at a different site from our main office server, while a secondary backup storage and replication device is maintained

offsite at an external Disaster Recovery Centre. This layered storage arrangement ensures secure backup capabilities, guaranteeing data accessibility in the event of a disaster or data loss incident. To further strengthen our IT infrastructure, the IT Department has upgraded the system by implementing logging, analysis and activation/suspension functions. These enhancements enable real-time intrusion detection, allowing our IT team to monitor, analyse and respond to unauthorised access attempts promptly.

The IT Department regularly conducts assessments to evaluate the effectiveness of the Group's data security measures. Any identified weaknesses are promptly reported to Management, together with recommendations for corrective actions and improvements. In response to the requirements of the Cyber Security Act 2024, during the year we engaged with Moore Stephens IT professional consultants to perform Cybersecurity Enhancement Program to facilitate regulatory compliance and strengthen the Group's cybersecurity framework. In addition, the Group's IT processes are subject to periodic audits by the internal audit team. These audits provide independent observations and recommendations to further enhance operational efficiency, internal controls and security practices within our IT environment. With the continuous strengthening of our cybersecurity framework and data protection practices, the Group is pleased to report that there were no incidents of customer privacy breaches or loss of customer data reported in 2025.

SUSTAINABILITY STATEMENT



Environmental Waste Management

Stakeholders Group:



Board of Directors



The Management



Regulatory Authorities



Customers

Engagement Channel:

- On-going Meeting and Interaction
- Periodic Assessment
- Press Release

Effective waste management remains an important aspect of ensuring the long-term sustainability of the Group's operations, particularly given the environmental impact associated with layer farming activities. The management of manure and mitigation of odour emissions remain key challenges for the Group. To support the expansion of our layer farming operations, the Group has continued to invest in additional composting lanes and composters at its fertiliser plants to strengthen its waste management capabilities in processing chicken manure into organic fertiliser. This initiative enables the Group to better manage the increasing volume of poultry waste, while supporting more sustainable waste utilisation practices and reinforcing our commitment to environmental stewardship.

As part of the Group's ongoing efforts to enhance its organic fertiliser operations, a pilot composting tower was installed to advance our composting technology and improve overall waste management efficiency. The system utilises controlled aeration and temperature regulation to accelerate the composting process while enhancing odour control and reducing the potential environmental impact. Compared with conventional composting methods, the composting tower enables more efficient use of space and improves operational productivity. It also contributes to greater consistency and stability in the quality of the organic fertiliser produced. In view of the proven efficiency of the system, the Group plans to invest in additional composting towers to support the sustainable growth of its operations.

The conversion of poultry waste into organic fertiliser enables the Group to reduce environmental impact while creating value from by-products generated in our operations. This approach supports responsible resource management and contributes to circular economy practices within our farming activities.

During the year, our fertiliser plants and compost towers continued to operate efficiently, processing chicken manure through a structured composting process to produce organic fertiliser suitable for agricultural use. Our organic fertiliser is accredited with SIRIM product certification, reflecting its quality, reliability and compliance with recognised industry standards. In addition, our waste management system also incorporates several other key components, including careful site selection, proper collection of waste from farms to fertiliser plants, as well as appropriate storage, handling, treatment and responsible utilisation.

The Group promotes the efficient use of resources across our facilities to minimise environmental pollution while implementing effective waste management and recycling initiatives. One such initiative is the reprocessing and reuse of treated wastewater, where wastewater from the paper egg tray production undergoes treatment for sustainable reuse in its own division. This practice helps conserve freshwater resources, reduce wastewater discharge and support environmental sustainability.

Under our paper egg tray division, we manufacture environmentally friendly egg trays using recycled paper materials such as old magazines, newspapers and used carton boxes. This initiative supports the responsible use of resources while reducing waste through recycling. A milestone was achieved in 2020 when our paper egg tray division became the first company in the local paper industry to obtain the Chain of Custody ("CoC") Certification under the Programme for the Endorsement of Forest Certification ("PEFC"). The certification affirms that the paper used in our production is sourced from recycled materials, helping to reduce the over-extraction of natural resources and minimise environmental impact.

SUSTAINABILITY STATEMENT



Environmental Renewable Energy

Stakeholders Group:



Board of Directors



The Management



Regulatory Authorities



Customers

Engagement Channel:

- On-going Meeting and Interaction
- Press Release

In response to rising electricity costs and national green energy target, we strategically invested in renewable solar energy as part of our sustainability effort. By installing solar photovoltaic (“Solar PV”) systems across our farms, factories and office buildings, we are able to reduce reliance on conventional energy sources, thereby lowering carbon emissions and electricity costs. This initiative also supports the national agenda for renewable energy while reinforcing our commitment to environmental responsibility and long-term energy sustainability.

The Group’s journey in renewable energy began in 2019 with the installation of its first Solar PV system at the feedmill plant, with a generation capacity of 490 kWp. Following the successful implementation of this project, we progressively expanded our solar energy infrastructure across various operational facilities. Between 2020 and 2022, additional Solar PV systems with a combined capacity of 3,972 kWp were installed, followed by a further 453 kWp in 2023 bringing the total installed capacity to 4,915 kWp.

Our effort continues in 2024, with further installations increasing the total Solar PV capacity to 6,702 kWp. These systems operating efficiently by generating renewable electricity to support the Group’s operations while contributing to the reduction of greenhouse gas emissions. Moving forward, the Group will continue to explore opportunity to expand Solar PV installations across suitable buildings and operational facilities to further enhance energy sustainability.

As at the end of the financial year 2025, the Group’s Solar PV systems have continued to provide a reliable source of renewable energy to support its operations, as summarised below:

| F.Y.E. | Total Capacity (kWp) | Renewable Energy Generated (MWh) | CO ₂ Avoidance (tCO ₂) (0.774 tCO ₂ /MWh) |
|--------|----------------------|----------------------------------|---|
| 2023 | 4,915 | 5,755 | 4,454 |
| 2024 | 6,702 | 8,168 | 6,322 |
| 2025 | 6,702 | 8,206 | 6,351 |

Beyond solar energy adoption, the Group has also taken steps to promote more sustainable mobility practices. Older company vehicles are being replaced with electric vehicle (“EV”) and hybrid models, while EV charging stations have been installed at the HQ parking area to support the use of EV. In addition, the Group continues to implement various energy efficiency initiatives across its operations. These include the adoption of LED and solar lightings, inverter air-conditioners and smart energy controllers that help optimise electricity consumption in farm facilities and machinery operations. Through the integration of these technologies and initiatives, the Group remains committed to improving energy efficiency while supporting its sustainability objectives.

SUSTAINABILITY STATEMENT



Social
Occupational Safety and Health

Stakeholders Group:



Board of Directors



The Management



Regulatory Authorities



Customers



Employees

Engagement Channel:

- On-going Meeting and Interaction
- Periodic Assessment

The Group places emphasis on maintaining a safe and healthy working environment for all employees. A Safety and Health Committee, led by a certified Health, Safety and Environment Officer, has been established to oversee workplace safety practices across the Group. The committee is responsible for monitoring safety performance, implementing accident prevention measures, promoting employee wellbeing and ensuring compliance with relevant environmental and occupational safety regulations. Efforts to strengthen workplace safety focus on building greater awareness among employees and encouraging responsible work practices to minimise the risk of accidents. Regular safety briefings, training programmes and awareness activities are conducted to enhance employees’ understanding of workplace hazards and safe working procedures. Employees are also provided with appropriate equipment and resources to help maintain a safe and healthy work environment.

We are dedicated to safeguard the well-being of our employees and foster a positive working environment. By prioritising occupational safety and health, we strive not only to protect our employees but also to enhance the overall performance and productivity of the Group.

Safety and Health Policy and Procedure

Established in 2018, Teo Seng Group’s Safety and Health Policy sets clear objectives to reduce workplace hazards, protect lives and promote employee well-being. It serves as the foundation for a safe and healthy work environment while ensuring compliance with Occupational Safety and Health (“OSH”) regulations.

We have established safety and health procedures to guide employees in carrying out their duties safely and responsibly, particularly in areas such as machine operation, equipment maintenance, chemical handling and forklift driving. These procedures provide clear guidance on safe work practices, helping to ensure smooth operations while reducing the risk of workplace incidents. Any non-compliance is addressed promptly through corrective actions and, where necessary, appropriate disciplinary measures.

Safety and Health Procedures

| No. | Description | Last Review Date |
|-----|---|------------------|
| 1. | Machine/Equipment Operation and Maintenance Procedure | 15/07/2025 |
| 2. | Safe Handling of Forklift/Tractor | 24/09/2025 |
| 3. | Incident Investigation and Reporting Procedure | 05/02/2024 |
| 4. | Fire Emergency Preparedness and Response Procedure | 04/08/2024 |
| 5. | Chemical Health Risk Assessment | 10/06/2024 |
| 6. | Noise Risk Assessment | 29/07/2025 |

SUSTAINABILITY STATEMENT

Safety and Health Committees

The Safety and Health Committee of Teo Seng Group is committed to maintaining a safe and healthy workplace. Comprising management, employees and safety specialists, the committee regularly reviews and updates safety policies, conducts inspections to ensure compliance and implements training programmes to promote safety awareness. Through proactive measures and collaboration, it works to mitigate risks, uphold regulatory standards and foster a strong safety culture across the organisation.

Safety and Health Training

We conduct regular occupational safety and health (“OSH”) training to enhance safety awareness and equip front-line employees with essential safety competencies and emergency response capabilities. These initiatives contributed to operational efficiency, strengthen employee confidence and foster a strong safety culture across the organisation. To maintain consistent safety awareness and compliance, we implement mandatory OSH training programmes for all employees, both new and existing. These programmes covering various aspects of workplace safety, including proper use of personal protective equipment (“PPE”), safe machine operation, chemical handling and emergency preparedness.

In addition, we also organise safety drills, refresher training and hands-on practical sessions to reinforce safe work practices and risk mitigation strategies. These initiatives encourage continuous learning and proactive safety engagement, ensuring employees are well-prepared for various workplace situations, not just emergencies. To enhance the effectiveness and relevance of our training programmes, we regularly obtain feedback from employees. Their understanding and active participation are fundamental to the continuous improvement and effective implementation of our occupational safety and health practices.



Fire Drill @ CPS



Basic Occupational First Aid Training

Emergency Preparedness

Emergency preparedness is crucial to ensure employees are aware of potential hazards and equipped to protect themselves. The factory or farm manager acts as the emergency coordinator, overseeing response efforts, assessing situations, coordinating with external emergency services and leading on-site teams. We have established an Emergency Response Team with trained members from various departments, ensuring a swift and effective response. Regular drills are conducted to maintain readiness and enhance emergency handling capabilities.

In addition, we have installed emergency communication systems including alarms and the BOMBA direct fire safety link system, “Sistem Pengawasan Kebakaran Automatik” to alert employees in case of emergencies. Clearly marked emergency routes and assembly points are regularly reviewed for its effectiveness. Emergency procedures are periodically revised to address any gaps and updated at least every three years to reflect changes in processes, infrastructure, materials and key personnel. We believe that through proper planning and coordination, we can minimise the impact of emergencies and protect the safety and wellbeing of our employees and the surrounding community.

Incident and Accident Investigation

Incident investigations focus on identifying root causes and implementing corrective measures to prevent recurrence. Through systematic analysis of incidents, we are able to identify potential hazards and evaluate the effectiveness of existing safety measures. The findings from these investigations guide the development of targeted improvements to strengthen workplace safety practices. Employees are encouraged to promptly report accidents and near-miss incidents, enabling the early identification of potential risks and facilitating timely preventive actions.

SUSTAINABILITY STATEMENT

The Safety and Health Officer, in collaboration with the Safety and Health Committee members, conducts incident investigations to identify root causes and recommend appropriate control measures to minimise occupational hazards. Investigation reports are submitted to management and reviewed periodically to facilitate continuous improvement in workplace safety practices. In 2025, a total of 18 injury cases were reported, with no fatalities recorded. All cases were thoroughly investigated and appropriate remedial actions were implemented to prevent recurrence.

Risk Assessment

We are committed to maintaining a safe and healthy working environment through regular risk assessments that identify workplace hazards and evaluate their potential impact on employees' safety and health. Guided by the Hazard Identification, Risk Analysis and Risk Control ("HIRARC") framework, we systematically identify, analyse and manage potential risks across our operations.

During the year, risk assessments were conducted across production, maintenance and other operational areas. This process involved reviewing existing hazards, evaluating associated risks and implementing appropriate control measures to minimise potential safety and health impacts. Through these ongoing assessments, we maintain a proactive approach to OSH, enabling the early identification and mitigation of potential hazards. We remain committed to continuously reviewing and strengthening our risk assessment processes and safety measures to further reduce the likelihood of workplace incidents and enhance the overall safety and well-being of our workforce.

Personal Protective Equipment ("PPE")

We have established a Personal Protective Equipment ("PPE") Management Procedure to ensure the proper provision and use of PPE, enabling employees to receive appropriate protection based on the nature of their job tasks. Workers are required to wear relevant PPE, such as full-body harnesses and safety helmets, when performing hazardous activities to minimise the risk of injuries and occupational illnesses. While PPE represents the last line of defence in the hierarchy of controls, it remains an essential component of our workplace safety practices.

To maintain compliance and reinforce safe work practices, we conduct regular audits to monitor PPE usage across all departments, ensuring employees are adequately equipped and adhere to established safety guidelines. We also periodically assess the effectiveness of the PPE provided by incorporating employee feedback and reviewing incident reports to identify opportunities for improvement and enhance employee protection where necessary.

In line with our commitment to sustainability, we prioritise the sourcing of environmentally responsible PPE materials wherever practicable. Our annual PPE budget covers the procurement, replacement and maintenance of PPE to ensure that all employees have continuous access to high-quality protective equipment throughout the year.

SUSTAINABILITY STATEMENT



Social
Employee Development and Succession Planning

Stakeholders Group:



Board of Directors



The Management



Employees

Engagement Channel:

- On-going Meeting and Interaction
- Periodic Assessment

In 2025, the Group continued to strengthen its commitment to employee development and succession planning by enhancing workplace well-being, employee engagement and leadership readiness. These initiatives support the sustainability of the Group’s human capital and contribute to long-term organisational resilience.

Employee Health & Well-being

The Group maintained its ongoing workplace wellness initiatives, including weekly zumba sessions and badminton tournaments, which have been consistently organised to encourage physical activity, promote work-life balance and strengthen employee engagement. Building on these established programmes, additional wellness activities were introduced during the year to broaden participation and address diverse employee needs.

New activities such as pickleball and a company-wide hiking programme were implemented to promote an active lifestyle while encouraging interaction among employees across different age groups, departments and levels. These initiatives provide opportunities for cross-functional and cross-generational engagement, contributing to a more inclusive and collaborative workplace culture. In conjunction with the Malaysia Day celebration, the Group also organised an engagement activity aimed at fostering unity, inclusivity and a shared sense of belonging among employees. Such initiatives reinforce positive organisational values and strengthen employee morale.

Teo Seng Hiking & Pickleball Session



To further enhance employees’ health awareness and access to preventive healthcare, the Group expanded its collaboration with BP Putra Hospital during the year. This partnership enabled the Group to strengthen its on-site healthcare support and introduce additional health-focused initiatives. A Heart Health Talk was conducted to raise awareness of cardiovascular health risks and preventive measures, equipping employees with practical knowledge to better manage their personal health.

In addition, employees were offered access to subsidised health screening programmes and influenza vaccination at preferential rates. These preventive healthcare measures support early detection of health risks, reduce potential long-term medical issues and contribute to a healthier, more productive workforce.

SUSTAINABILITY STATEMENT

Learning, Development & Succession Readiness

The Group recognises the importance of developing future leaders to ensure continuity in key roles and long-term organisational sustainability. As part of its succession planning efforts, a team building programme was organised in Langkawi with a focus on leadership development and behavioral competencies.

The programme emphasised the cultivation of positive attitudes, constructive work habits, teamwork and effective communication. These elements are critical in shaping future leaders who are capable of leading teams responsibly, adapting to change and upholding the Group's values. The team building activities also provided a platform to identify leadership potential and strengthen collaboration among employees from different functions. Through these structured development initiatives, the Group aims to build a sustainable internal leadership pipeline, reduce reliance on external hiring for critical positions and support effective succession planning.

Overall, the Group remains committed to nurturing its employees through continuous engagement, health and development initiatives. By investing in employee well-being and leadership readiness, the Group seeks to build a resilient workforce that supports long-term business performance and sustainable growth.

Talent Sustainability & Internal Mobility

The Group places strong emphasis on talent sustainability through internal mobility and fair promotion practices. Internal Promotion Assessments are conducted to identify and develop high-potential employees based on performance, competencies and leadership readiness. Insights gained from employees' participation in engagement, wellness and team-based activities also contribute to a more holistic assessment of behavioral competencies, teamwork and leadership potential.

By prioritising internal career progression, the Group aims to retain institutional knowledge, motivate employees and ensure continuity in key roles, supporting long-term organisational sustainability.

Employee Training and Leadership Development Programmes

During the year, the Group placed strong emphasis on employee training and continuous learning as part of its commitment to human capital development and sustainability. A wide range of training programmes were organised to enhance employees' technical competencies, functional skills and behavioral capabilities in line with the evolving needs of the business.

Training initiatives were conducted for employees across different levels and functions, focusing on improving job-related skills, operational effectiveness, compliance awareness and professional development. These programmes support employees in performing their roles more effectively while ensuring alignment with the Group's standards, policies and long-term business objectives.

In addition to functional and skills-based training, the Group also focuses on leadership development as part of its succession planning framework. Selected employees participated in development programmes aimed at strengthening leadership capabilities, decision-making skills, communication and people management competencies. These initiatives are designed to prepare employees for increased responsibilities and future leadership roles within the organisation.

The Group's approach to training and leadership development supports internal talent growth and mobility, reduces reliance on external recruitment for key positions and helps retain institutional knowledge. By continuously investing in employee learning and leadership readiness, the Group aims to build a competent, adaptable and future-ready workforce that supports sustainable business performance and effective succession planning.

SUSTAINABILITY STATEMENT

| No. | Title | Date | Type of training | Brief description on the training |
|-----|--|---|------------------|---|
| 1. | IFRS Sustainability Disclosure Standards: IFRS S1 & S2 | 08.01.2025 | Virtual Training | Evaluate the basic concepts and reporting framework of IFRS S1 & S2 and assess the sustainability management framework and reporting requirements. |
| 2. | Understanding LHDN'S Self-Billed E-Invoicing Requirements | 21.01.2025 | Virtual Training | Understand self-billed e-invoicing requirements as per IRB guidelines and its practical application for business. |
| 3. | Basic Occupational First Aid, CPR & AED Training | 13.05.2025, 14.05.2025, 15.05.2025, 16.05.2025 | Workshop | Equip employees with essential basic life support skills, including CPR and choking response to effectively handle workplace medical emergencies. |
| 4. | E-Invoice Implementation Treatment for Various Kinds of Business Transactions | 12.06.2025 | Virtual Training | Understanding the e-invoice mechanism in daily accounting and business operations. |
| 5. | Key MFRS Standards - Underlying Principles and Applications | 18.06.2025 | Virtual Training | Overview new & revised MFRSs through a technical brief of these Standards. |
| 6. | Productive team Building | 20.06.2025 - 21.06.2025 | Workshop | Foster and develop teamwork attitude, team spirit and leadership skills. |
| 7. | Effective Debt Collection and Credit Management | 15.07.2025 | Workshop | Strengthen employees' capabilities in credit assessment, risk management and effective debt recovery practices. |
| 8. | Enterprise Risk Management Essentials for Accounting and Finance Professionals | 23.07.2025 | Virtual Training | Enhance knowledge of enterprise risk management concepts and their application within accounting and finance functions. |
| 9. | Seminar Organisasi Keselamatan Kebakaran | 07.08.2025 | Workshop | Prepare for the establishment and implementation of a Fire Safety Organisation as part of the requirements for obtaining Fire Certificate under the Fire Services Act 1988. |
| 10. | Basic Defensive Driving Training (Light Vehicle) Course | 10.08.2025 & 17.08.2025 | Workshop | Strengthen employees' knowledge of defensive driving principles to reduce road risks and promote safe driving when operating light vehicle. |
| 11. | MFRS/IFRS 18 in Practice: A Guide for Accountants, Preparers, and Auditors | 22.08.2025 | Virtual Training | Provide participants with practical guidance on the implementation and reporting requirements of MFRS/IFRS 18. |
| 12. | 2026 Budget Seminar for Corporate Accountants | 16.10.2025 | Workshop | Update participants on the key tax measures and policy changes introduced in the 2026 Budget and their implications for corporate taxpayers. |
| 13. | PwC Malaysia's Budget 2026 Seminar: Charting Malaysia's next chapter | 07.11.2025 | Workshop | Gain insights into the key policy measures and economic developments outlined in Malaysia's Budget 2026 and their implications for businesses. |

SUSTAINABILITY STATEMENT

| No. | Title | Date | Type of training | Brief description on the training |
|-----|--|-------------------------|------------------|--|
| 14. | Purchasing Cost Reduction Strategies | 17.11.2025 – 18.11.2025 | Workshop | Enhance participants' knowledge of cost optimisation techniques and effective procurement practices. |
| 15. | 2nd Unlocking Revenue and Sustainability: Exploring Carbon Credit Opportunities in the Palm Oil Industry | 05.12.2025 – 06.12.2025 | Workshop | Explore how carbon credit initiatives can create new revenue streams while advancing sustainability practices. |

Productive Team Building



Positive Work Habits & Self-Motivation Programme



SUSTAINABILITY STATEMENT



Social Corporate Social Responsibility

Stakeholders Group:



Board of Directors



The Management



Customers



Employees



Local Community

Engagement Channel:

- On-going Meeting and Interaction

The Group continues to support sustainable development through its Corporate Social Responsibility (“CSR”) efforts, with the intention of contributing positively to the communities in which we operate. As part of the “Social” pillar of our sustainability framework, our initiatives focus on community care, health promotion and social participation. During the year, the Group supported various charitable organisations and extended assistance to individuals and families facing financial hardship. We also responded to requests from non-governmental organisations, government agencies and charitable bodies by donating fresh eggs to underprivileged communities. In addition, the Group participated in the Jualan Rahmah initiative, helping to improve access to nutritious food, ease financial burdens and address food security concerns.

In support of education, the Group contributed towards upgrading computer teaching equipment in schools to enhance the learning environment and strengthen students’ digital literacy. By improving access to information technology facilities, we aim to provide students with better learning opportunities and equip them with essential skills to thrive in an increasingly digital world.

We also promoted healthy lifestyles and strengthened community engagement by encouraging employee participation

in community sports and social initiatives. The Group supported various school sports events, community festive celebrations and student competitions, contributing to youth development while fostering closer ties with local communities. Through these initiatives, we seek to encourage active living, teamwork and positive community interaction.

During the year, the Group also supported the organisation of the “Teo Seng Cup” Chinese Chess Open Tournament in Malaysia. The tournament provided a platform for chess enthusiasts to exchange skills and compete in a spirit of sportsmanship, while helping to promote the cultural heritage and intellectual value of Chinese chess. The event also fostered greater community interaction and inclusivity. In addition, the Group sponsored the 2025 annual tournaments and development fund of the Tchoukball Association, supporting the continued growth of the sport, encouraging youth participation and contributing to the development of a healthy and active community.



Looking ahead, the Group will continue to build on its community initiatives by working closely with stakeholders and supporting programmes that contribute positively to society. We remain committed to fostering resilient communities and creating lasting social value through responsible and sustainable business practices.

SUSTAINABILITY STATEMENT



Governance

Corporate Governance and Regulatory Compliance

Stakeholders Group:



Board of
Directors



The
Management



Regulatory
Authorities



Customers

Engagement Channel:

- On-going Meeting and Interaction
- Periodic Assessment
- Press Release

The Group places strong emphasis on upholding high ethical standards and sound corporate governance in all aspects of its business operations, in line with our mission, vision and shared values. Our business conduct and ethical practices are guided by a comprehensive framework of policies, systems, processes, standard operating procedures and established best practices. These frameworks are reinforced by our governance structure, which includes the Board of Directors and its various Committees, ensuring appropriate oversight and accountability across the organisation.

To support effective governance, the Group engages both internal and external Company Secretaries to provide professional advice on corporate governance matters and regulatory compliance. In addition, a Corporate Affairs Committee has been established at the middle management level to further strengthen governance oversight. The committee, comprising the Group Finance Director, Accountant, Company Secretary and Corporate Affairs personnel responsible for overseeing the implementation of corporate governance practices and ensuring adherence to established standards. Various departments, including Human Resources, Administration, Accounts and Finance, also work collaboratively to ensure compliance with applicable regulatory requirements, such as labour laws, accounting standards, taxation and licensing requirements.

Further details of the Group's corporate governance practices are provided in the Corporate Governance Overview Statement of this Annual Report and elaborated in the Corporate Governance Report. The Group's risk management framework and internal control processes are set out in the Statement on Risk Management and Internal Control. In addition, various

policies and terms of reference have been established to guide governance practices and internal controls across different areas which are available on the Group's corporate website.

During the year, the Group continued to strengthen its governance practices by ensuring that employees, both new and existing, understand and comply with the Group's Anti-Corruption Policy and Procedures. Briefings and understanding assessments were conducted for new employees to raise awareness of the policy and its requirements. Other relevant policies are also introduced as part of the employee onboarding process with access to the employee handbook provided through the Group's online portal. The handbook outlines expectations for ethical conduct, including the avoidance of conflicts of interest and the safeguarding of confidential information. Through these measures, the Group aims to cultivate a culture of integrity, transparency and accountability while mitigating risks associated with corruption, unethical conduct and regulatory non-compliance.

In line with our commitment to transparency and accountability, the Group encourages employees and external stakeholders to report any suspected misconduct through the established Whistleblowing Policy. The policy provides secure and confidential channels for reporting improper conduct or violations within the Group. By maintaining a trusted whistleblowing mechanism, we promote a culture where individuals feel confident to raise concerns without fear of retaliation. This approach enables the Group to identify and address potential issues in a timely manner, helping to prevent minor concerns from escalating into more significant risks that could affect the integrity and operations of the organisation.

SUSTAINABILITY STATEMENT

Teo Seng Capital Berhad
BMLR Transition Period

Date & Time: 2026-04-14_15:22:49
FYE 31/12/2025

| Sustainability Matter | Metric | Measurement Unit | 2025 | Target | Assurance |
|-----------------------|---|------------------|------------|--------|--------------|
| 1. Anti-Corruption | Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | — | — | — | No assurance |
| | - Management | Percentage | 100% | — | No assurance |
| | - Executive | Percentage | 86.52% | — | No assurance |
| | - Non-executive/Technical Staff | Percentage | 81.56% | — | No assurance |
| | - General Workers | Percentage | 34.75% | — | No assurance |
| | Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 0.00% | — | No assurance |
| 2. Community/Society | Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | — | No assurance |
| | Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 610,863,70 | — | No assurance |
| | Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 146 | — | No assurance |
| 3. Diversity | Bursa C3(a) Percentage of employees by gender and age group, for each employee category | — | — | — | No assurance |
| | Gender Group by Employee Category | — | — | — | No assurance |
| | - Management Male | Percentage | 79.75% | — | No assurance |
| | - Management Female | Percentage | 20.25% | — | No assurance |
| | - Executive Male | Percentage | 41.57% | — | No assurance |

SUSTAINABILITY STATEMENT

Date & Time: 2026-04-14_15:22:49
FYE 31/12/2025

Teo Seng Capital Berhad
BMLR Transition Period

| Sustainability Matter | Metric | Measurement Unit | 2025 | Target | Assurance |
|-----------------------|---|------------------|--------|--------|--------------|
| — | - Executive Female | Percentage | 58.43% | — | No assurance |
| — | - Non-executive/Technical Staff Male | Percentage | 48.60% | — | No assurance |
| — | - Non-executive/Technical Staff Female | Percentage | 51.40% | — | No assurance |
| — | - General Workers Male | Percentage | 86.55% | — | No assurance |
| — | - General Workers Female | Percentage | 13.45% | — | No assurance |
| — | Age Group by Employee Category | — | — | — | No assurance |
| — | - Management Under 30 | Percentage | 5.06% | — | No assurance |
| — | - Management Between 30-50 | Percentage | 77.22% | — | No assurance |
| — | - Management Above 50 | Percentage | 17.72% | — | No assurance |
| — | - Executive Under 30 | Percentage | 24.72% | — | No assurance |
| — | - Executive Between 30-50 | Percentage | 73.03% | — | No assurance |
| — | - Executive Above 50 | Percentage | 2.25% | — | No assurance |
| — | - Non-executive/Technical Staff Under 30 | Percentage | 36.87% | — | No assurance |
| — | - Non-executive/Technical Staff Between 30-50 | Percentage | 58.66% | — | No assurance |
| — | - Non-executive/Technical Staff Above 50 | Percentage | 4.47% | — | No assurance |
| — | - General Workers Under 30 | Percentage | 36.37% | — | No assurance |
| — | - General Workers Between 30-50 | Percentage | 58.03% | — | No assurance |
| — | - General Workers Above 50 | Percentage | 5.60% | — | No assurance |

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SUSTAINABILITY STATEMENT

Date & Time: 2026-04-14_15:22:49
FYE 31/12/2025

Teo Seng Capital Berhad
BMLR Transition Period

| Sustainability Matter | Metric | Measurement Unit | 2025 | Target | Assurance |
|-----------------------------------|---|------------------|--------|--------|--------------|
| | Bursa C3(b) Percentage of directors by gender and age group | — | — | — | No assurance |
| | - Male | Percentage | 84.21% | — | No assurance |
| | - Female | Percentage | 15.79% | — | No assurance |
| | - Under 30 | Percentage | 0% | — | No assurance |
| | - Between 30-50 | Percentage | 42.11% | — | No assurance |
| | - Above 50 | Percentage | 57.89% | — | No assurance |
| 4. Energy management | Bursa C4(a) Total energy consumption | Megawatt | 31,979 | — | No assurance |
| 5. Health and safety | Bursa C5(a) Number of work-related fatalities | Number | 0 | — | No assurance |
| | Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.98 | — | No assurance |
| | Bursa C5(c) Number of employees trained on health and safety standards | Number | 426 | — | No assurance |
| 6. Labour practices and standards | Bursa C6(a) Total hours of training by employee category | — | — | — | No assurance |
| | - Management | Hours | 914 | — | No assurance |
| | - Executive | Hours | 3,562 | — | No assurance |
| | - Non-executive/Technical Staff | Hours | 1,671 | — | No assurance |
| | - General Workers | Hours | 67 | — | No assurance |
| | Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 0.00% | — | No assurance |

SUSTAINABILITY STATEMENT

Date & Time: 2026-04-14_15:22:49
FYE 31/12/2025

Teo Seng Capital Berhad
BMLR Transition Period

| Sustainability Matter | Metric | Measurement Unit | 2025 | Target | Assurance |
|------------------------------|--|------------------|--------|--------|--------------|
| — | Bursa C6(c) Total number of employee turnover by employee category | — | — | — | No assurance |
| — | - Management | Number | 2 | — | No assurance |
| — | - Executive | Number | 10 | — | No assurance |
| — | - Non-executive/Technical Staff | Number | 15 | — | No assurance |
| — | - General Workers | Number | 168 | — | No assurance |
| — | Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 | — | No assurance |
| 7. Supply chain management | Bursa C7(a) Proportion of spending on local suppliers | Percentage | 85.08% | — | No assurance |
| 8. Data privacy and security | Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | — | No assurance |
| 9. Water | Bursa C9(a) Total volume of water used | Megalitres | 89.612 | — | No assurance |

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

Teo Seng Capital Berhad (“Teo Seng” or “the Company”, and together with its subsidiaries, “the Group”) is committed to upholding the highest standards of corporate governance throughout its operations. As a responsible corporate entity, the Board of Directors (“the Board”) recognises that sound governance, transparency and professionalism are fundamental to safeguarding shareholders’ interests and enhancing the Group’s long-term value and financial performance.

In fulfilling its responsibilities, the Board is guided by the principles and practices set out in the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). Through the application of these governance standards and best practices, the Board aims to promote accountability, strengthen stakeholder confidence and drive sustainable corporate excellence. The detailed application for each practice as set out in the MCCG 2021 during the financial year ended 31 December 2025 is disclosed in the Corporate Governance Report (“CG Report”) which is accessible on the corporate website at www.teoseng.com.my.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Roles and Responsibilities of the Board

The Board assumes overall responsibility for the strategic direction, performance and long-term sustainability of the Company and its subsidiaries. It sets the Group’s policies and strategic objectives, approves key action plans and oversees their effective implementation. In discharging its fiduciary duties, the Board ensures prudent stewardship of the Group’s assets and resources to safeguard shareholders’ interests and enhance value creation.

The Board deliberates and approves all significant matters of the Company, including the annual business plan and budget, dividend policy, mergers and acquisitions, major capital expenditures and corporate exercises. To enhance operational efficiency and governance oversight, the Board has delegated specific responsibilities to its Board Committees, namely the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Risk Management Committee (“RMC”). Each Committee operates under clearly defined terms of reference approved by the Board. The respective Chairpersons of the Committees report on the deliberations, key findings and recommendations of their meetings to the Board.

The principal responsibilities of the Board include the following:

a. Cultivate good corporate governance within the Group and ensure regulatory compliance

The Board remains committed to upholding high standards of corporate governance and integrity, beyond mere regulatory compliance. It is dedicated to enhancing long-term value for shareholders and safeguarding the interests of stakeholders. By embracing sound governance principles and best practices, the Board promotes transparency, accountability and ethical conduct throughout the Group’s operations.

b. Reviewing and adopting a strategic business plan, budget and financial performance for the Group

The Board plays an active role in shaping the Company’s strategic direction. During dedicated strategy sessions, Management presents its proposed strategies and annual business plans for the Board’s review. The Board undertakes thorough deliberations, drawing on its collective experience and perspectives to assess the proposals. Where appropriate, the Board constructively challenges Management’s assumptions and recommendations to ensure robust decision-making and the best outcomes for the Company. Through this rigorous and collaborative process, the Board provides effective strategic oversight and guidance to drive the Company’s growth.

c. Supervision and Assessment of Management Performance to evaluate whether the businesses are being properly managed

The Board monitors the implementation of approved business plans and evaluates Management’s performance under the leadership of the Managing Director. The Board is regularly updated on key strategic initiatives, significant operational developments and the overall performance of the Company to ensure effective oversight and accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

d. Review of the adequacy and integrity of the Group Internal Control Systems

The Board is ultimately responsible for ensuring the adequacy and integrity of the Group's system of internal controls, covering both operational and financial aspects, including waste management, human resource management, reporting, monitoring and review processes. The Board continuously reviews the effectiveness of these controls to address evolving business conditions and emerging risks, safeguard the Group's assets, minimise risk exposure and ensure compliance with applicable laws and regulations.

e. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

The Board oversees the Company's Enterprise Risk Management and Sustainability Governance ("ERMSG") framework, with support from the Group Internal Auditors ("GIA"). The GIA assists the Audit Committee ("AC") and the Board by providing independent assessments of key risk areas and evaluating the adequacy and effectiveness of the Group's risk management, compliance and internal control processes.

The GIA reviews and recommends the annual Corporate Risk Profile, which identifies the Group's principal enterprise risks and the corresponding risk management measures. It also makes recommendations to the Board for approval, particularly in relation to the risk oversight structure and accountability framework. Further details of the ERMSG framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

f. Succession planning includes appointment, training, fixing of compensation and replacement of senior management

The Board entrusts succession planning for key management personnel to the NC, which evaluates and assesses candidates for senior management roles. The NC also oversees the nomination, selection and succession policies for the Board and its committees. The RC reviews and recommends appropriate and fair remuneration packages for these appointments.

g. Developing and implementing an investor relations programme and shareholders communications policy for the Group

The Board has established an Investor Relations Policy to govern the dissemination of information to shareholders in a fair, transparent and timely manner. Investor Relations Policy is available online at <http://teoseng.com.my/corporate-governance-meetings/>.

h. Integration of sustainability considerations in corporate strategy, governance and decision-making.

In formulating the Group's strategic plans, the Board integrates economic, environmental, social and governance ("EESG") considerations through the Sustainability Steering Committee, with a focus on driving long-term sustainable value creation. Recognising the importance of balancing stakeholders' interests while minimising environmental and social impacts, the Board strives to enhance the Company's reputation, strengthen stakeholder trust and deliver sustainable value.

Separation of Position of Chairman and Group Managing Director ("MD")

A formal Limit of Authority ("LOA"), based on prescribed financial thresholds has been established and is reviewed periodically to ensure the effective discharge of the Board's roles and responsibilities. The LOA enhances operational efficiency by clearly defining the respective authorities of the Board and the MD, to whom the day-to-day management of the Company is delegated. Structured and regular reports are submitted to the Board to enable it remains accountable for the Company's overall performance. The Chairman provides leadership and guidance to the Board in achieving corporate objectives and ensures that the Board's processes and deliberations facilitate the effective discharge of its duties.

Mr. Lau Jui Peng serves as the Chairman of the Board, while the position of MD is held by Mr. Nam Hiok Joo. There is a clear segregation of roles and responsibilities between the Chairman and the MD as set out in the Board Charter to ensure a balance of authority and accountability within the leadership structure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The key roles of the Chairman, amongst others, are as follows:

- i. Ensure that the Board functions effectively, cohesively and independently of Management;
- ii. Provide governance in matters requiring corporate justice and integrity;
- iii. Lead the Board, including presiding over Board Meetings and Company Meetings, directing Board discussions to effectively addressing the critical issues within the available time frame;
- iv. Promote constructive and respectful relationship between Board Members and management; and
- v. Ensure the effectiveness in communication between the Company and/or Group, shareholders and stakeholders.

The MD is responsible for the day-to-day management of the Company's business operations, organisational effectiveness and the implementation of the Board's strategies, policies and decisions. The delegation of authority from the Board to the MD is further cascaded to the Senior Management Team to ensure effective execution across the organisation. The MD and Senior Management Team remain accountable to the Board for the delegated authorities. The responsibilities of the MD in general, are as follows:

- i. Develop the strategic directions of the Group;
- ii. Ensure the Group's businesses are properly and efficiently managed by the Management Team, who implements the strategies and polices that are adopted by the Board and its Committees;
- iii. Ensure the objectives and standard of performance are understood by employees;
- iv. Ensure that the operational planning and control systems are in place;
- v. Monitor performance results against planned; and
- vi. Take necessary remedial actions as deemed fit.

By virtue of the position, MD as a Board Member, also acts as the intermediary between the Board and the Management. In this capacity, the MD facilitates effective communication and alignment by conveying the Board's strategic directives and oversight expectations to Management.

Qualified and Competent Company Secretaries

The Company Secretaries of the Company are qualified to serve under Section 235 of the Companies Act 2016 and holding membership with The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

The Company Secretaries support the effective functioning of the Board by providing advice on constitutional matters, policies and procedures and ensuring compliance with applicable laws and regulations. They keep the Board updated on relevant statutory and regulatory developments and advise on corporate governance matters in relation to the Board's roles and responsibilities. Through this advisory function, the Company Secretaries assist in ensuring that the Company's policies and practices remain aligned with evolving legal requirements and corporate governance best practices.

The Company Secretaries attended all Board meetings to ensure that they were properly convened and that the Board's deliberations and decisions were accurately recorded and maintained. They also participated relevant professional development and training programmes to continuously enhance their knowledge, skills and effectiveness in discharging their responsibilities.

Access to Information and Advice

The Board has unrestricted access to timely and relevant information from Management and may seek clarification or further details as required. The Board is kept informed of the latest regulatory requirements and developments issued by the relevant authorities. Where necessary, the Board is entitled to obtain independent professional advice at the Company's expense, in accordance with established procedures, to support the effective discharge of its duties.

Board members receive regular updates on operational, financial and corporate matters, together with minutes of the respective Board Committee meetings, prior to each Board meeting. This enables Directors to review the matters in advance and seek further clarification where necessary to facilitate effective deliberations. Board papers are circulated at least five (5) days before the meeting to allow sufficient time for review. In exceptional circumstances involving highly sensitive corporate proposals, the relevant papers may be tabled at the meeting. Key Management Personnel may be invited to attend Board meetings to provide briefings and additional clarification as required. All proceedings and decisions of the Board are properly minuted. The minutes are circulated to Board members on a timely basis and tabled for confirmation at the subsequent meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Charter

The Board Charter serves as a key governance document, clearly setting out the roles and responsibilities of the Board, its committees ("Board Committees"), the Chairman and MD. It is formulated with due regard to applicable laws, regulations and best practices. The Board Charter provides guidance to Directors and Management on the functions and authority of the Board and serves as a primary reference document for the induction of new Board members. The Board Charter also outlines matters reserved for the Board's approval, covering areas such as strategy and business planning, financial oversight and internal controls, human capital, compliance, governance and assurance matters.

The Company's Board Charter is reviewed periodically to ensure it remains aligned with the Group's objectives, prevailing laws, regulatory requirements and best practices. The Board updates the Charter as necessary to maintain its relevance and effectiveness in guiding the discharge of its duties and responsibilities. The Board Charter is available on the Company's website at <http://teoseng.com.my/corporate-governance-meetings/>.

Code of Conduct and Ethics

The Board has formalised a Directors' Code of Conduct and Ethics and incorporated an Employees' Code of Conduct and Ethics within the Group's Employee Handbook. These codes set out the expected standards of conduct for Directors and employees respectively. The Directors' Code addresses, among others, fiduciary duties, conflicts of interest and securities dealings, while the Employees' Code covers workplace conduct, conflicts of interest and securities transactions. Both codes provide guidance to promote integrity, accountability and ethical behaviour in the handling of information, management of securities dealings and addressing conflict of interest. They also outline prohibited practices and misconduct, including the giving or receiving of gifts, bribery and corruption, dishonest conduct and sexual harassment. The Directors' and Employees' Codes of Conduct and Ethics are available on the Company's website at <https://teoseng.com.my/corporate-governance-meetings/>.

Whistleblowing Policy

Whistleblowing policy was established and administered by the AC. Employees of the Company are encouraged to confidently voice their grievances and raise their concerns of any unlawful or unethical situation or any suspected violation of the Code of Conduct with the defined channels of reporting set out in the policy.

The Board emphasises good faith in reporting, with assurance to the employees that they will not be at risk of any form of victimisation, retribution or retaliation. Any attempt to retaliate, victimise or intimidate against any whistleblower is a serious violation and shall be dealt with serious disciplinary action and procedures. The whistleblowing case or concern could be reported via the email: bs@teoseng.com.my.

Governing Sustainability

The Board recognises its responsibility for overseeing sustainability governance and integrates sustainability considerations into the strategic direction of the Group's business operations. The management of material sustainability matters is entrusted to the Sustainability Steering Committee. The Sustainability Steering Committee is chaired by the Chief Operating Officer, Layer Farming Division, Mr. Na Yi Chan with members comprise of the Group Finance Director who also serves as the Risk Manager, Mr. Ng Eng Leng and the Senior Corporate Affairs Manager. The Chairperson of the Committee and the Risk Manager, as designated by the Board from the senior management team, coordinate and manage the Group's sustainability initiatives and strategies. The Sustainability Steering Committee reports to the AC which in turn reports to the Board on sustainability matters, ensuring appropriate oversight and governance at Board level.

The Board through the Sustainability Steering Committee collaborates with the respective Heads of Departments and Divisions to oversee the Group's sustainability governance structure. This framework promotes effective communication and coordination to ensure that sustainability initiatives and relevant information are disseminated across the organisation, thereby enhancing employee awareness, accountability and engagement in the Group's sustainability efforts.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Beyond internal engagement, the Board through the Sustainability Steering Committee effectively communicates sustainability-related information to employees across departments to support the implementation of key sustainability initiatives. In respect of external stakeholders, the Group maintains ongoing engagement efforts to understand their expectations and concerns. The Sustainability Statement published in the Annual Report of the Company serves as a principal disclosure platform for transparent and relevant disclosures on the Group's sustainability strategies, initiatives and progress in addressing its prioritised material sustainability matters.

The Board plays a key role in the Group's sustainability management is aware of the need to stay abreast with and understand the development of sustainability issue relevant to our business operations. Other than periodic review and discuss on the Group's EESG matters progress and performance, professional training on related subject matters will be considered and attended by members of the Board as well as the Key Management Personnel ("KMP"). The Board and KMP performance evaluation take into account their performance in addressing material sustainability risk and opportunities will be assessed by the NC annually. Further detail of the Group's sustainability matters and initiatives are set out in the Sustainability Statement of this Annual Report.

2. BOARD COMPOSITION

During the financial period under review, the Board has six (6) members comprising of three (3) Executive Directors and three (3) Independent Non-Executive Directors ("INED"). This composition fulfils requirements of the Main Market Listing Requirements of Bursa Malaysia which require that at least one third (1/3) of the Board members are INED as well as fulfilled the requirement of MCCG 2021 to comprise at least half of the Board members who are INED.

The profile of each Director is presented on pages 10 to 15 of this Annual Report. The Directors with diverse backgrounds and specialisations, collectively contribute a broad spectrum of experience and expertise in key areas such as poultry farming, finance, business administration, corporate planning, legal, taxation, development and marketing which are vital for the success of the Group's strategies.

Independence of the Board

The Board acknowledges requirements of Paragraph 1.01(h) of the amended Main Market Listing Requirements of Bursa Malaysia ("MMLR") and Practice 5.3 & 5.4 of MCCG 2021 which limit tenure of INED up to maximum of 12 years without further extension. As at 31 December 2025, none of the current INED had served on the Board for a cumulative term exceeding nine years. Based on the annual performance evaluation of the INEDs, the Board is satisfied that they continue to demonstrate independence, objectivity and effective judgement. The Board is confident that the INEDs will continue to provide fresh perspectives, valuable expertise and constructive challenge, while maintaining appropriate checks and balances in guiding the Company towards the achievement of its objectives.

Board Gender Diversity Policies

The Board recognises gender diversity in strengthening the performance of the Board and Board Committees. The Board is of the view that while it is important to promote gender diversity, the normal selection criteria of a director and senior management based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualification, experience and capabilities in relevant field such as poultry farming, finance, business administration, corporate planning, development and marketing which are essential for the strategic success of the Group.

Currently, the Board comprises six (6) Directors, including two (2) women Directors, representing 33% female representation on the Board. This complies with Paragraph 15.02(1)(b) of the MMLR which requires at least (1) one woman Director; and aligns with Practice 5.9 of the MCCG 2021 which recommends that at least 30% of the Board comprise women directors. Beyond enhancing gender diversity, the expertise, skills and extensive experience of Ms. Lim Ying Khoo and Ms. Goh Wen Ling in their respective fields have further strengthened the Board's overall competency and effectiveness.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Nomination Committee (“NC”)

The NC of the Company is chaired by an Independent Director and is primarily responsible for recommending suitable candidates for appointment to the Board as well as assessing the effectiveness and performance of the Board and its members on an ongoing basis. The NC operates under Terms of Reference approved by the Board which is available on the Company’s website at www.teoseng.com.my.

The members of the NC:

| NC | Position |
|---------------|-------------|
| Goh Wen Ling | Chairperson |
| Lim Ying Khoo | Member |
| Lim Huey Hean | Member |

Selection and Assessment of Directors

The NC is responsible for assessing and recommending suitable candidates for appointment to the Board. In identifying potential candidates, the NC leverages various sources including recommendations from existing Board members, Key Management Personnel (“KMP”) and/or major shareholders to access a broad and diverse pool of candidates. The selection process is based on an evaluation of the candidates’ profiles, qualifications, experience and overall suitability. In addition, the NC conducts an annual assessment of the Board, its committees and individual Directors, evaluating their skills, knowledge, experience and performance to ensure the continued effectiveness of the Board as a whole. The NC also places emphasis on succession planning for both Board members and KMP. It continuously reviews and identifies potential successors to ensure leadership continuity, strengthen governance and support the Group’s long-term strategic objectives.

The NC reviews the Board Composition in terms of appropriate size, required mix of knowledge, skills, experiences, core competencies and adequacy of balance between Executive Directors and INED. As part of the recruitment process and annual assessment of Directors, the NC will review the professionalism, integrity, competency, commitment, performance and ensure no conflict of interest arises that would impair their ability to represent the interest of the Company’s shareholders and stakeholders in discharge of directors’ responsibilities.

The NC evaluated the effectiveness of the Board, various committees and assessing the contribution of each individual Director annually by Committee Evaluation, Self-Assessment Evaluation and/or Peer Assessment methods. Effective communication is maintained among Board members and Board Committee members through both formal and informal channels. Major policies and corporate proposals are thoroughly discussed and scrutinised prior to decision-making. All Board and Committee members have demonstrated diligence and exercised reasonable care in fulfilling their duties and responsibilities.

NC also reviews and recommends suitable training programmes to the members of the Board in order to enhance their capability in discharging their duties. The NC will meet on an as-needed basis and there was one NC meeting held during the financial year ended 31 December 2025. The summary of the activities of the NC during the financial year are as follows:-

- a. Reviewed the mix of skill, experience and other qualities of the Board.
- b. Assessed the effectiveness of the Board as a whole, the Board committees and the Directors.
- c. Evaluated Key Management Personnel performance.
- d. Reviewed the independence of the Directors.
- e. Assessed and recommended re-election of the Company’s Directors retiring by rotation.
- f. Conducted assessment on the AC and each of its members.
- g. Reviewed training programmes attended by Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Re-election of Directors

In accordance with the Clause 76(3) of the Company's Constitution, at the Annual General Meeting, one-third (1/3) of the Directors for the time being, shall retire from office and the retiring Directors shall be eligible to seek for re-election. For Director who is appointed by the Board either to fill a casual vacancy or as an addition to the existing directors shall hold office only until the conclusion of the next Annual General Meeting and shall then be eligible to seek for re-election pursuant to Clause 78 of the Company's Constitution.

Directors who are due for retiring and subject to re-election at the Annual General Meeting ("AGM") will be assessed by the NC, whose recommendations will be submitted to the Board for consideration, thereafter to be tabled to shareholders for approval at the AGM. At the forthcoming 20th AGM, Mr. Loh Wee Ching and Ms. Goh Wen Ling who are retiring by rotation pursuant to Clause 76(3) of the Company's Constitution, being eligible for re-election has offered themselves for re-election. Based on the recommendation of NC, the Board supports the re-elections of above retiring directors. Their profiles are set out on pages 12 and 15 of the Annual Report and the Board's justification for their re-election stated in the explanatory note of the Notices of 20th AGM.

Key Management Personnel ("KMP")

The KMPs of the Group:

| KMP | Position |
|----------------|---|
| Ng Eng Leng | Group Finance Director |
| Na Eluen | Chief Marketing Officer, Layer Farming Division |
| Na Yi Chan | Chief Operating Officer, Layer Farming Division |
| Nam Ya Jun | Executive Director, Animal Health Products Division |
| Ku Leong Choon | Farm General Manager |

KMPs are responsible for assisting the MD in overseeing the Group's daily operations, ensuring the effective implementation of the Board's policies and executing decisions related to operational and financial matters. Their roles are critical in maintaining business efficiency, driving strategic initiatives and aligning the Group's activities with its long-term objectives.

3. REMUNERATION

Remuneration Committee ("RC")

RC is primarily responsible for the development and review of the remuneration policy and packages for the Board members and KMPs. The remuneration policy aims to attract and retain Directors and KMPs necessarily for proper governance and the smooth running of the Company. The Term of Reference of RC incorporating policies and procedures on remuneration is available on the website at www.teoseng.com.my.

The composition of RC is as follow:

| RC | Position |
|---------------|----------|
| Lim Huey Hean | Chairman |
| Lim Ying Khoo | Member |
| Goh Wen Ling | Member |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The duties and responsibilities of the Committee are as follows:

- i. Recommendation to the Board of Directors on the remuneration package of the Executive Directors in all forms, drawing from external advice as necessary and the Executive Directors shall play no part in decisions on their own remuneration;
- ii. Determination of remuneration package of Non-Executive Directors, would be carried out by the Board of Directors as a whole and the individual concerned would abstain from discussing their own remuneration; and
- iii. Assessing the remuneration package of Directors and KMPs is commensurate with their individual performance and responsibilities.

The remuneration details for the Company's Directors for the financial year ended 31 December 2025, including fees, salary, bonus, benefits in-kind, and other emoluments, are outlined on a named basis in accordance with Practice 8.1 in the Corporate Governance Report ("CG Report") 2025. Similarly, disclosure of the top five senior management's remuneration components, categorised in bands of RM50,000, can be found under Practice 8.2 in the CG report 2025.

Foster Commitment of Directors

Time Commitment

The Board convenes at least four (4) meetings each financial year. An annual meeting calendar is prepared and circulated to the Directors before the beginning of each year to assist them in planning their schedules accordingly. Additional meetings are held as and when required. Scheduled Board meetings are structured with pre-set agenda. Board and Board Committees meeting papers, which were prepared by Management to provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, relevant reports and Board papers are furnished to Directors and Board Committees members before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision-making during meetings.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. Board members' meeting attendances for the financial year ended 31 December 2025 were as follows:

| Director | Board of Directors Meeting | Audit Committee Meeting | Nomination Committee Meeting | Remuneration Committee Meeting |
|---------------|----------------------------|-------------------------|------------------------------|--------------------------------|
| Lau Jui Peng | 5/5 | - | - | - |
| Nam Hiok Joo | 5/5 | - | - | - |
| Loh Wee Ching | 5/5 | - | - | - |
| Lim Huey Hean | 5/5 | 5/5 | 1/1 | 1/1 |
| Lim Ying Khoo | 5/5 | 5/5 | 1/1 | 1/1 |
| Goh Wen Ling | 5/5 | 5/5 | 1/1 | 1/1 |

Training and Development of Directors

In compliance with the MMLR, Directors recognise the importance of ongoing training to stay updated on industry developments, as well as new statutory and regulatory requirements. The Board identifies the training needs of Directors based on feedback from the NC during the annual Board evaluation. Directors will continue to participate in relevant training and education programmes to ensure compliance with the MMLR and enhance their effectiveness in discharging their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year under review, the Directors have attended relevant training and development programmes according to respective needs to enhance their capability in discharging their duties and responsibilities more effectively. The training and development programmes were as follows:

| Directors | List of Training Programmes/Seminars attended/participated | Date |
|---------------|--|------------------|
| Lau Jui Peng | Master Class™ Productive Team Building | 20-21 June 2025 |
| Nam Hiok Joo | Master Class™ Productive Team Building | 20-21 June 2025 |
| Loh Wee Ching | Master Class™ Productive Team Building | 20-21 June 2025 |
| Lim Huey Hean | Recent Amendments to Listing Requirements: Enhanced Conflict of Interest Framework | 18 April 2025 |
| | Future - Proofing Governance & Risk: Strategies for a Disruptive Era Programme | 27 May 2025 |
| | Master Class™ Productive Team Building | 20-21 June 2025 |
| | 2026 Budget Seminar for Corporate Accountants | 16 October 2025 |
| Lim Ying Khoo | E-invoicing & Sbel Essentials for Tax Professionals | 23 May 2025 |
| | Master Class™ Productive Team Building | 20-21 June 2025 |
| | Budget 2026 | 16 October 2025 |
| | Taxing the Digital Economy and Navigating the Challenges of E-invoice | 14 November 2025 |
| | Most Important Tax Updates in Quarter 3 of 2025 | 17 November 2025 |
| Goh Wen Ling | Capital Gains Tax on Domestic & Cross-Border Transactions | 19 December 2025 |
| | Recent Amendments to Listing Requirements: Enhanced Conflict of Interest Framework | 18 April 2025 |
| | Master Class™ Productive Team Building | 20-21 June 2025 |

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee (“AC”)

The Board is responsible for the financial statements and quarterly announcement of financial results that were prepared to give a true and fair view of the Group’s state of affairs. The Directors took due care and reasonable steps to ensure that the requirements of accounting standards were fully met. The Board is assisted by the AC to oversee the Group’s financial reporting process and the quality of its financial reporting. The AC also reviews the aptness of the Group’s accounting policies and changes thereto as well as the implementation of these policies. All the AC members are INED and the Chairperson of the AC held by Ms. Lim Ying Khoo who is not the Chairman of the Board. In accordance with the Term of Reference of AC, a former key audit partner of the Company’s external audit firm is required to observe a cooling-off period of at least 3 years before appointment as a member of the Committee.

Assessment of External Auditor

The AC considered the adequacy of experience and resources of the audit firm and the professional staff assigned to the audit, independence of Messrs. PricewaterhouseCoopers PLT and the level of non-audit services rendered to the Group for the financial year 2025.

The AC undertakes an annual assessment of suitability and independence of the external auditors. A written assurance by the external auditors, confirming that they are and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants and with the International Ethics Standards Board for Accountants’ International Code of Ethics (“IESBA Code”) for Professional Accountants. Having assessed their performance, the AC will recommend their re-appointment decision to the Board, upon which the shareholders’ approval will be sought at the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The external auditors met the AC during the financial year under review to facilitate the assessment for the appointment of auditor with its proposed fee quotation and subsequently to present external audit plan memorandum for the financial year 2025. The AC requires the audit partner to be subject to a five-year rotation in consideration of external auditors' appointment to ensure independence of auditors.

Fees paid/payable to Messrs. PricewaterhouseCoopers as follows:

| Work-done | Group | Company |
|-----------------|---------|---------|
| Statutory audit | 298,000 | 83,000 |
| Non-audit fee | 13,600 | 6,800 |

All related party transactions (including recurrent related party transactions) and conflict of interest situations of the Group are subject to review by the AC prior to recommendation to the Boards to ensure compliance with the Listing Requirements of Bursa Securities.

Further details on the AC are set out in the AC Report of this Annual Report.

2. Risk Management and Internal Control Framework

The Board considers risk management and internal control as integral components of the Group's overall management processes in safeguarding shareholders' investments and the Company's assets. Accordingly, the Directors are responsible for ensuring that a sound system of internal control is established and effectively implemented within the Group. The AC assists the Board in fulfilling this responsibility by reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The following key reporting systems and procedures that have been in place within the Group:

- i. regular and comprehensive reporting to AC and the Board on the Group's financial and operational performance;
- ii. periodic visits to operating units by members of the Board and KMP;
- iii. regular internal audit reviews to monitor compliance with established procedures and assess the reliability and integrity of financial information; and
- iv. defined delegation of responsibility to the Board of Directors and Management of the Group including authorisation level for all aspects of the business.

The Board recognises the importance of effective risk management and has formalised a risk management framework to guide Management in identifying, evaluating, controlling and monitoring principal business risks. This framework also ensures that risks are reported to the Board on an ongoing basis, along with the necessary remedial measures to address those risks.

Further details on the review of the internal control system are set out in the Statement on Risk Management and Internal Control on pages 64 to 67 of this Annual Report. The Risk Management Committee ("RMC") chaired by the Managing Director and comprising a majority of INED has been established to oversee the implementation and effectiveness of the Group's risk management framework and policies.

The composition of RMC is as follow:

| RMC | Position |
|---------------|----------|
| Nam Hiok Joo | Chairman |
| Lim Huey Hean | Member |
| Lim Ying Khoo | Member |

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. ENGAGEMENT WITH STAKEHOLDERS

The Group places high importance on keeping stakeholders informed of material developments in a timely and transparent manner, while ensuring full compliance with the Bursa Malaysia Listing Requirements. Shareholders and prospective investors are kept apprised of major developments of the Group through announcements and press releases via Bursa LINK, as well as the Company's annual report, corporate website and shareholder circulars. These communication channels provide stakeholders with relevant updates on the Group's financial performance, operational developments and strategic direction, reflecting the Company's commitment to transparency and effective stakeholder communication.

The Company has established an Investor Relations Policy to ensure the accurate, clear, timely and quality disclosure of material information. To further enhance transparency, a dedicated section on the Company's website provides stakeholders with access to announcements, regulatory filings and key governance documents, including the Board Charter and the Terms of Reference of the Board Committees.

2. CONDUCT OF GENERAL MEETING

The Annual General Meeting ("AGM") is the principal forum for dialogue and interaction with shareholders. The Board facilitates meaningful engagement with shareholders by providing a platform for shareholders to raise questions pertaining to the business activities of the Group at the AGM. The Chairman of the Board and where appropriate, the Executive Directors, Board's Committees Chairpersons and External Auditors are available to provide explanations on queries raised during the meetings as well as to discuss with shareholders, invited attendees and members of the press. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

The notice of meeting was issued at least 28 days before the AGM date to enable shareholders to peruse the Annual Report and the papers supporting the resolutions proposed. The minutes of the AGM as well as questions and answers posed by shareholders were made available and accessible through the Company's website at www.teoseng.com.my within 30 business days after the AGM.

In line with Listing Requirements of Bursa Malaysia, all resolutions tabled at the AGM were conducted by way of poll voting and verified by an independent scrutineer. This approach facilitates transparency and greater shareholders participation in decision-making process. Following the conclusion of the meeting, the Company announced the detailed poll results including the number of votes cast for and against each resolution at general meeting.

This Corporate Governance Overview Statement was approved by the Board of the Company on 14 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Listing Requirements of the Main Market of Bursa Malaysia Securities Berhad, the following additional information is provided:-

MATERIAL CONTRACTS

There was no material contracts entered into or subsisting between the Company and its subsidiaries involving directors' and/or major shareholders' interest during the financial year ended 31 December 2025.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the last Annual General Meeting held on 28 May 2025, the Company had obtained a general mandate from its shareholders for the Group to enter into recurrent related party transactions of a revenue or trading nature ("RRPT mandate"). The aggregate value of the recurrent related party transactions of revenue or trading nature incurred by the Group pursuant to the RRPT mandate for the financial year ended 31 December 2025 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

UTILISATION OF PROCEEDS

No new funds were raised by the Company from any corporate proposals during the financial year ended 31 December 2025.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

| Total Income | Remarks | Group | |
|---------------------|---|--------------------|--------------------|
| | | 2025 (RM) | 2024 (RM) |
| Revenue | | 735,876,742 | 753,770,655 |
| Other income | Government subsidy/grants | 86,767,375 | 91,395,696 |
| Other income | Gain on disposal of property, plant & equipment | 288,569 | 6,845,132 |
| Other income | | 1,459,555 | 1,047,927 |
| Interest income | | 4,671,497 | 3,557,506 |
| Total | | 829,063,738 | 856,616,916 |
| Total Assets | | 976,317,187 | 846,146,429 |

(B) Business Activities

| Shariah Non-Compliant Activities | Remarks | Group | |
|----------------------------------|--|-------------------|-------------------|
| | | 2025 (RM) | 2024 (RM) |
| Sales of veterinary products | | 29,212,055 | 26,880,649 |
| Rental income | Provision of cold room for frozen food | - | 253,996 |
| Total | | 29,212,055 | 27,134,645 |

ADDITIONAL COMPLIANCE INFORMATION

(C) Component of Financial Position

(i) Cash Component

| Islamic Account/Instruments | Remarks | Group | |
|---|---------|-------------------|-------------------|
| | | 2025 (RM) | 2024 (RM) |
| Cash in hand | | 58,992 | 72,729 |
| Cash at bank (exclude cash in hand) | | 96,992,951 | 58,915,828 |
| Total | | 97,051,943 | 58,988,557 |
| Conventional Account/Instruments | | | |
| Cash at bank (exclude cash in hand) | | 70,942,355 | 43,196,453 |
| Deposit with licensed bank | | 15,488,276 | 24,658,500 |
| Total | | 86,430,631 | 67,854,953 |

(ii) Debt Component

| Islamic Financing | Remarks | Group | |
|-------------------------------|-----------|-------------------|-------------------|
| | | 2025 (RM) | 2024 (RM) |
| Current | | | |
| Bank borrowings | Term Loan | 8,093,582 | 7,953,588 |
| Non-Current | | | |
| Bank borrowings | Term Loan | 43,783,691 | 30,383,117 |
| Total | | 51,877,273 | 38,336,705 |
| Conventional Borrowing | | | |
| Current | | | |
| Banker's acceptances | | 72,437,000 | 59,451,000 |
| Revolving credit | | 7,000,000 | - |
| Non-Current | | | |
| Bank borrowings | | - | - |
| Total | | 79,437,000 | 59,451,000 |

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible to ensure that financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable Approved Accounting Standards in Malaysia.

In preparation of financial statement for the year ended 31 December 2025, the Directors are also responsible for the adoption of applicable accounting policies and their consistent use in the financial statements supported where necessary by reasonable and prudent judgments.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the Group's Statement on Risk Management and Internal Control for the financial year ended 31 December 2025. This statement is prepared in line with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements and guided by the Statement on Risk Management and Internal Control ("SORMIC") – Guidelines for Directors of Listed Companies 2025, read together with Main Market Practice Note 9 and the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), offering insights into the Group's approach to risk management and internal control practices.

BOARD'S RESPONSIBILITIES

The Board recognises its overarching responsibility for establishing and maintaining a robust risk management and internal control system to protect shareholders' interests and safeguard the Group's assets. This responsibility is fulfilled by fostering a risk-aware culture across the organisation—identifying key risks, approving appropriate measures, and ensuring the effective implementation of internal controls, supported by ongoing reviews to maintain their efficiency.

The objective of this system is to manage potential risks within acceptable tolerance levels, rather than to eliminate them entirely, as some level of risk is inherent in achieving the Group's strategic and operational goals.

The Managing Director and Group Finance Director have provided the Board with reasonable assurance that, to the best of their knowledge, the Group's risk management and internal control systems are operating effectively and remain adequate in all material aspects.

Our internal control framework encompasses key elements such as risk management protocols, financial and operational controls, regulatory compliance mechanisms, and governance practices to support the Group's sustainable growth.

RISK MANAGEMENT AND INTERNAL CONTROL

a) Risk Management

The Objective

Risk management within the Group has evolved from a purely operational focus to a more strategic approach centered on value creation. We drive this value creation through the following initiatives:

- **Optimising Business Processes:** Enhancing the efficiency and effectiveness of our operations to achieve cost savings and improve overall performance.
- **Adapting to Change:** Proactively responding to shifts in the business environment and industry dynamics by executing strategic initiatives with agility and precision.

- **Protecting and Growing Assets:** Safeguarding our assets while prioritising investments that contribute to long-term value and competitive advantage.
- **Informed Decision-Making:** Applying a structured approach to identify opportunities and assess potential risks, enabling better decisions, more effective planning, and clearer prioritisation.
- **Delivering Stakeholder Satisfaction:** Striving to exceed the expectations of customers and stakeholders by maintaining high standards of service and engagement.

The Governance

Our Group adopts a risk management governance framework aligned with the "Three Lines of Defence" model, ensuring comprehensive oversight by both Management and the Board. When properly structured with no gaps in coverage, this model enhances our ability to manage risks effectively. By reinforcing risk governance, it strengthens our resilience and increases the likelihood of achieving our business objectives.

First Line of Defence: Operational Management

The first line of defence comprises employees, managers, and Heads of Operating Units ("HOUs"), who play a crucial role in risk management. They are responsible for identifying and assessing risks, implementing controls to mitigate them, and ensuring compliance with policies, procedures, and regulations. Collaborating closely with the second line of defence, which provides oversight and guidance, they help maintain effective risk management across the organisation.

Second Line of Defence: Internal Monitoring and Oversight Functions

The second line of defence plays a key role in overseeing, guiding, and supporting operational management in implementing effective risk management practices. Working closely with both the first and third lines of defence, they ensure risks are properly identified, assessed, and managed. They provide direction to the first line of defence and report to senior management and the Board on the effectiveness of risk management and compliance efforts.

Third Line of Defence: Internal Audit and AC

The third line of defence conducts an independent assessment of the organisation's risk management, internal controls, and governance processes, providing assurance to Senior Management and the Board that the efforts of the first and second lines align with expectations. Their oversight enhances stakeholder confidence by ensuring that operations are well managed, risks are effectively identified and mitigated, and the organisation remains compliant with applicable laws.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

What sets this line apart is its high level of organisational independence and objectivity, reinforcing professionalism and integrity within the Group.

The Framework

The Group has implemented an Enterprise Risk Management and Sustainability Governance (“ERMSG”) framework in alignment with the recognised international standards, including the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Enterprise Risk Management Framework and MCCG 2021. This framework enables the systematic identification, assessment, and management of significant risks through effective communication with stakeholders and the public. It also facilitates the timely implementation of appropriate control measures. The primary goal is to ensure the achievement of corporate objectives, protect business assets and employees, and promote long-term sustainability while taking broader impacts into account.

The Responsibilities

Our Board has delegated the responsibility for risk management and internal controls to the Management, which is accountable for ensuring the effective execution of ongoing processes to identify, assess, manage, report, and monitor significant control deficiencies and any changes in risks that may impact the Group.

In response to these risks, the Management is also responsible for establishing and implementing appropriate control measures. To strengthen this framework, the Risk Management Committee (“RMC”) and Risk Management Team (“RMT”) have been formed. The RMC consists of Audit Committee (“AC”) members and the Group Managing Director (“Group MD”).

The responsibilities of the RMC include:

- Overseeing and assessing the adequacy and effectiveness of the ERMSG framework.
- Reviewing the Group’s risk profile and recommending risk management policies and procedures to ensure they remain relevant and suitable.
- Identifying critical risks that could significantly impact the Group and communicating them to the Board, along with proposed action plans for mitigation.
- Regularly reviewing key risk policies to reflect changes in the operating environment.

- Ensuring that risk management practices align with the Group’s objectives, regulatory requirements, and industry best practices.
- Providing guidance and recommendations to departments and operational units regarding the Group’s risk appetite and tolerance.

The RMT is led by Group Risk Manager, who is Group Finance Director, facilitates and supervises the implementation of ERMSG framework. The RMT reports functionally to the RMC.

The HOU are accountable for:

- Reviewing and monitoring risks behaviour and the anticipated impacts or likelihood.
- Ensuring effectiveness of implemented controls at departmental/functional level.
- Ensuring that a risk-based approach to internal control is communicated to staff, embedded in business processes and responsive to evolving risks.

Daily operational risks, including health and safety, regulatory compliance, and other related matters, are primarily managed at the individual operating unit level, following established systems and guidelines. Meanwhile, key business and critical risks that significantly impact the Group’s operations—such as business sustainability, cybersecurity, project expansion, and product diversification—are overseen by top management.

The Risk Management Process (“RMP”) continues to align control measures and strategy in managing the identified different risks which are categorised into operational, financial, legal and compliance, technology and human capital. The RMP facilitates the monitoring and reporting process to ensure effective improvement on risk from inherent risk level to residual risk level of respective risk based on their likelihood and consequence within acceptable risk appetite, take timely and appropriate adjustment to control measures in response to new development when circumstances warrant. The Board has defined the Group’s risk appetite, representing the level and types of risk the Group is willing to accept in pursuing its strategic objectives. The risk appetite is dynamic, aligned with strategy and capacity, and reviewed periodically by the Board through the RMC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

b) Internal Control System

The Board remains committed to maintaining, implementing, and monitoring a robust and effective control environment to identify, assess, and manage weaknesses within the Group's internal control system.

The Group has an established organisational structure with clearly defined responsibilities, delegation levels, and authority. Key roles and functions, including sales and collection, procurement and payment, production, financial management and reporting, and capital expenditure management, are segregated among different personnel to ensure operational efficiency and accountability.

The internal control system involves the proper delegation of duties and responsibilities from the Board to the Managing Director, Executive Directors, and Senior Management (collectively referred to as "Management"). This delegation is governed by specified authority limits to oversee the Group's core operational functions. Management is responsible for identifying and mitigating relevant risks while designing appropriate internal controls to address them.

Through this structured approach, our internal control system integrates a strong risk management framework, enabling us to proactively identify potential vulnerabilities and areas for improvement.

Internal Audit ("IA") Function

The Group's IA function is outsourced to Messrs Moore Malaysia, an independent professional firm that conducts internal audit assignments in accordance with the International Professional Practices Framework ("IPPF") and COSO Framework. The IPPF incorporates key attribute and performance standards set by the Institute of Internal Auditors ("IIA"), a globally recognised professional body for internal auditors. As an independent party, Moore Malaysia plays a key role as the third line of defense. Through its independence, it provides strategic advice and recommendations while promoting continuous improvement in risk management and internal controls.

For the financial year ended 31 December 2025, a designated IA team, led by Mr. Joe Lee, a Certified Internal Auditor ("CIA"), carried out regular and systematic reviews to assess the adequacy and integrity of the internal control system implemented by Management. These reviews were conducted based on a predefined scope of work outlined in the IA Plan, which was tabled and approved by the AC.

Throughout the audit process, Management and employees provided full cooperation, ensuring that the AC function operated without restrictions. The Internal Auditor was granted unrestricted access to relevant records and personnel, allowing for a comprehensive evaluation.

The AC reviewed the internal audit activities, including findings and recommendations, to ensure that the internal controls remained adequate and effectively operational, providing the necessary level of assurance to the Group.

The Internal Auditor assessed the Group's internal control systems and reported its findings, along with Management's responses and corresponding action plans, directly to the AC. Additionally, the Internal Auditor conducted follow-up audits to monitor the status of Management's implementation of recommended measures, with progress updates included in the IA Reports presented to the AC. During the financial year, the internal audit function focused on evaluating key processes within the Group to determine the adequacy and effectiveness of internal controls in mitigating business risks.

- i. Central Packing Station Operation Review - Teo Seng Farming Sdn. Bhd.;
- ii. Fertiliser Division Operation Review - Teo Seng Farming Sdn. Bhd.;
- iii. Procurement to Payment - Teo Seng Feedmill Sdn. Bhd.; and
- iv. Boiled Egg Operation Review - Teo Seng Farming Sdn. Bhd.

The total costs incurred for the IA functions in respect of the financial year ended 31 December 2025 amounting to approximately RM120,000 and incurred cybersecurity enhancement programme fee of RM42,500.

In alignment with the Malaysian government's gazette of the Cyber Security Act 2024, Teo Seng Group engaged Moore Malaysia to implement a comprehensive Cybersecurity Enhancement Program. This initiative encompassed key assessments, including Cybersecurity Control Assessment, Cybersecurity Risk Assessment, and Phishing Simulation Assessment. Beyond identifying weaknesses and shortcomings in our information technology systems, processes, and procedures, the program significantly elevated cybersecurity awareness across Teo Seng Group, fostering a culture of vigilance and resilience against evolving internet and digital threats.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In early 2026, we have completed the cycle of the “Enterprise Risk Management Adequacy Review and Anti-Bribery and Anti-Corruption Compliance Management”. Throughout this cycle, we worked closely with the Internal Auditor team to thoroughly identify key areas of improvement in our risk management and internal control. The insights derived from this cycle position us to adopt a proactive approach in enhancing the effectiveness of our risk management practices. Environmental, Social and Governance (“ESG”) and other sustainability-related risks are integrated into the Group’s enterprise risk management process and assessed alongside operational and financial risks, with clear ownership, controls and monitoring mechanisms. Moving forward, we will conduct a comprehensive review and strengthen our ERMSG Framework in financial year ending 2026, to better align with evolving business needs and ensure a robust risk management practice which is in accordance with guidelines and standards. Going forward, we will continue enhancing cybersecurity awareness and preparedness across the Teo Seng Group through targeted training programs.

Board

The Board, through the AC, has reviewed the adequacy and effectiveness of the risk management and internal control systems together with the relevant actions have been or are being taken, to remedy internal control weaknesses identified from the review, which was largely based on the outcome of observations raised by the internal auditors directly to the AC. The Board is of the view that there have been no weaknesses in the system of internal control that resulted in material losses, contingencies or uncertainties that would require mention in the Company’s Annual Report 2025.

Management

The Management committed to take on-going measures in addressing identified weaknesses and strengthening the internal control environment from time to time based on recommendations of the internal audit function as well as the external auditors.

Review of Adequacy and Effectiveness of The Risk Management and Internal Control System

The effectiveness and efficiency of the risk management and internal control system is monitored through key risk indicators, control effectiveness reviews and alignment of residual risks with the Board-approved risk appetite. The Board has received assurance from the MD and the Group Finance Director that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report 2025.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (“AAPG3”) issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. This statement was approved by the Board of the Company on 14 April 2026.

AUDIT COMMITTEE'S REPORT

The Board of Directors is pleased to present the following Audit Committee Report and its summary of work for the financial year ended 31 December 2025 in compliance with Paragraph 15.15 of the Main Listing Requirement of Bursa Malaysia.

COMPOSITION

The Audit Committee ("AC") currently comprises the following members:

Chairperson

Lim Ying Khoo Independent Non-Executive Director

Members

Lim Huey Hean Independent Non-Executive Director

Goh Wen Ling Independent Non-Executive Director

Ms. Lim Ying Khoo is a member of the Malaysian Institute of Accountants. Accordingly, the AC meets the requirement of Paragraph 15.09(1) of the Main Market Listing Requirements of Bursa Malaysia, which stipulates that at least one (1) member of the AC must be a qualified accountant.

TERMS OF REFERENCE

The Terms of Reference of the AC is accessible for reference on the Company's website at www.teoseng.com.my.

MEETINGS

There were five (5) meetings of the AC held during the financial year ended 31 December 2025, which were attended by the AC members as follows:

| Name of member | Number of meetings attended |
|----------------|-----------------------------|
| Lim Ying Khoo | 5/5 |
| Lim Huey Hean | 5/5 |
| Goh Wen Ling | 5/5 |

SUMMARY OF WORKS OF THE AUDIT COMMITTEE

During the financial year under review, the AC carried out the following tasks in discharge of its functions and duties:

1. Financial Reporting

a) Review of Quarterly Reports

The AC reviewed the respective unaudited quarterly financial results prior to submission to the Board for consideration and approval. The unaudited quarterly financial results for the fourth quarter ended 31 December 2024, first quarter ended 31 March 2025, second quarter ended 30 June 2025 and third quarter ended 30 September 2025 were tabled at the AC meetings held on 17 February 2025, 20 May 2025, 19 August 2025 and 18 November 2025 respectively.

b) Audited Financial Statements

On 11 April 2025, the AC reviewed the Audited Financial Statements for the year ended 31 December 2024.

The Audited Financial Statements were prepared in compliance with the Malaysian Financial Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

AUDIT COMMITTEE'S REPORT

2. External Audit

On 17 February 2025, the AC reviewed the Audit Committee Report from the external auditors, Messrs. PricewaterhouseCoopers PLT ("PwC") on the significant audit findings in respect of their audit on the Group and the response from the management for the financial year ended 31 December 2024.

PwC had declared and confirmed that they were independent and would be independent throughout their audit engagement in accordance with the provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.

By using External Auditor's Performance and Independence Evaluation, the AC was satisfied with the work performed by PwC based on the quality of services, sufficiency of resources, performance, independence and professionalism, and their ability to conduct the external audit within an agreeable timeline fixed by the AC. The AC thereafter recommended to the Board to table the motion for the re-appointment of PwC as the External Auditors of the Company at the 19th Annual General Meeting.

The shareholders of the Company had approved the re-appointment of PwC as the External Auditors of the Company for the ensuing year at the 19th Annual General Meeting held on 28 May 2025.

On 19 August 2025, the AC reviewed the PwC's terms of engagement, proposed audit fee and audit plan for financial year ending 31 December 2025. The AC also discussed and reviewed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.

3. Internal Audit

The AC reviewed the following internal audit report findings presented by Messrs. Moore Malaysia:

| Date | Internal Audit Area |
|------------------|--|
| 17 February 2025 | Teo Seng Farming Sdn. Bhd. - Central Packaging Station ("CPS") Operation |
| 20 May 2025 | Teo Seng Farming Sdn. Bhd. - Fertiliser Division Operation |
| 19 August 2025 | Teo Seng Feedmill Sdn. Bhd. - Procurement-to-Payment |
| 18 November 2025 | Teo Seng Farming Sdn. Bhd. - Hard Boiled Egg ("HBE") Operation |

Significant issues, Management's responses and relevant recommendations or changes thereto being assessed and reported to the Board.

The AC also assessed the adequacy of scope, functions, competency and resources of the Internal Audit function. By using evaluation form, the AC had evaluated and was satisfied with the performance of Internal Auditors on the works performed by them.

4. Related Party Transactions

At each quarterly meeting, the AC reviewed and noted all the Related Party Transactions ("RPT") including the Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT") that may arise within the Company and its Group including any transactions, procedure or course of conduct that raises questions on management integrity.

The AC reviewed the processes and procedures in the RPT Policy to ensure that related parties are appropriately identified and RPT and RRPT are appropriately declared, approved and reported.

The AC was satisfied that all RPT and RRPT were within arm's length, fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders.

5. Other Matters

On 19 August 2025, the AC reviewed and considered the Group's Environmental, Social and Governance ("ESG") Sustainability Plan update in response to the amendments to the Main Market Listing Requirements relating to the adoption of the IFRS S1 and S2 Sustainability Disclosure Standards.

The AC also summarised the works and findings to the Board for preparing the Audit Committee Report and reviewed Statement on Risk Management and Internal Control, and Sustainability Statement prior to submission of the same to the Board for consideration and inclusion in the Annual Report 2024 of the Company. The AC also reviewed the Circular to Shareholders in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature of the Group and recommended to the Board for approval prior to recommending the same to the shareholders for approval.

FINANCIAL STATEMENTS



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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

DIRECTORS

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

Directors of the Company

Lau Jui Peng
 Nam Hiok Joo
 Loh Wee Ching
 Lim Huey Hean
 Lim Ying Khoo
 Goh Wen Ling

Directors of subsidiaries

Tan Sri Lau Tuang Nguang
 Lau Joo Han
 Na Yok Chee
 Nam Hiok Yong
 Ng Eng Leng
 Lee Choon Seng
 Na Eluen
 Nam Ya Jun
 Na Yi Chan
 Dato' Dr. Ma'amor Bin Osman
 Dr. Aidawani Binti Abd Latif
 Cai, BoWen
 Chen, Zhen

PRINCIPAL ACTIVITIES

The Group is principally engaged in the production and distribution of eggs and related poultry products, animal health products, animal feeds, paper egg trays, fertiliser by-product business and poultry farming related intelligent machinery, equipment and robots while the Company is in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 12 to the financial statements. There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

| | Group RM | Company RM |
|---|-------------|---------------|
| Net profit for the financial year | 142,074,304 | 53,561,727 |
| Profit/(Loss) for the financial year attributable to: | | |
| - owners of the Company | 142,101,387 | 53,561,727 |
| - non-controlling interest | (27,083) | 0 |
| | 142,074,304 | 53,561,727 |

DIRECTORS' REPORT (CONTINUED)

DIVIDENDS

Dividends paid or declared by the Company since the end of the previous financial year were as follows:

| | RM |
|--|------------|
| <u>In respect of the financial year ended 31 December 2025:</u> | |
| First interim single-tier dividend of 7.5% equivalent to 1.5 sen per ordinary share, declared on 20 May 2025 and paid on 25 June 2025 | 8,862,006 |
| Second interim single-tier dividend of 7.5% equivalent to 1.5 sen per ordinary share, declared on 19 August 2025 and paid on 26 September 2025 | 8,862,005 |
| <u>In respect of the financial year ended 31 December 2024:</u> | |
| Fourth interim single-tier dividend of 10.0% equivalent to 2.0 sen per ordinary share, declared on 17 February 2025 and paid on 20 March 2025 | 11,830,776 |
| | 29,554,787 |

On 10 February 2026, the Company declared a third interim single-tier dividend of RM0.01 per ordinary share, amounting to RM5.8 million in respect of the financial year ended 31 December 2025 and paid on 18 March 2026.

The Directors do not recommend the payment of final single-tier dividend for the financial year ended 31 December 2025.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

TREASURY SHARES

On 28 May 2025, at the Annual General Meeting, the shareholders of the Company renewed their approval for the Company to buy back its own shares on up to ten percent (10%) of the issued and paid-up capital of the Company.

During the financial year, the Company repurchased a total of 8,168,200 ordinary shares of its issued share capital from the open market for RM8,494,587. The repurchase transactions were financed by internally generated funds. The average price paid for these shares repurchased was RM1.04 per share.

As at 31 December 2025, the Company held as treasury shares a total of 15,515,174 out of its 600,016,350 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM14,643,297. Relevant details on the treasury shares are disclosed in Note 20 to the financial statements.

DIRECTORS' REPORT (CONTINUED)

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any parties to take up any unissued shares in the Company.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The penultimate holding company, Leong Hup International Berhad, a company listed in the Main Board of Bursa Malaysia Securities has established the Employee Share Option Scheme ("Previous ESOS"), with effect from 11 April 2019 ("Effective Date"), which involves the granting of ESOS Options to the eligible Directors and employees of the LHI Group which includes Teo Seng Group ("Grantees"). The Previous ESOS expired on 10 April 2024, after five (5) years from the Effective Date.

On 31 May 2024, the shareholders of Leong Hup International Berhad had approved a new ESOS ("ESOS") for a period of 5 years effective from 18 July 2024 until 17 July 2029. The Company had granted new ESOS options under this scheme to the Grantees. The options divided into 4 tranches which separately vest on 18 July 2024, 18 July 2025, 18 July 2026 and 18 July 2027.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits shown under Directors' Remuneration) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest, except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 27 to the financial statements.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the share options granted by Leong Hup International Berhad to eligible employees of its related companies, including Executive Directors of the Company.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares, or debentures of, the Company or its related corporations during the financial year except as follows:

| | Number of ordinary shares | | | At 31.12.2025 |
|------------------------------|---------------------------|----------|----------|------------------|
| | At 1.1.2025 | Acquired | Disposed | |
| Shares in the Company | | | | |
| Direct Interest | | | | |
| Nam Hiok Joo | 2,932,444 | 0 | 0 | 2,932,444 |
| Lim Ying Khoo | 300 | 0 | 0 | 300 |
| Indirect Interest | | | | |
| Lau Jui Peng ¹ | 325,525,138 | 0 | 0 | 325,525,138 |

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

¹ Emerging Glory Sdn. Bhd. through CW Lau & Sons Sdn. Bhd.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

| | Number of ordinary shares | | | At 31.12.2025 |
|--|---------------------------|----------|----------|------------------|
| | At 1.1.2025 | Acquired | Disposed | |

**Shares in immediate holding company –
Advantage Valuations Sdn. Bhd.**

Indirect Interest

| | | | | |
|---------------------------|-------|---|---|-------|
| Lau Jui Peng ¹ | 5,097 | 0 | 0 | 5,097 |
|---------------------------|-------|---|---|-------|

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

¹ Emerging Glory Sdn. Bhd. through CW Lau & Sons Sdn. Bhd.

| | Number of ordinary shares | | | At 31.12.2025 |
|--|---------------------------|----------|----------|------------------|
| | At 1.1.2025 | Acquired | Disposed | |

**Shares in penultimate holding company –
Leong Hup International Berhad**

Direct Interest

| | | | | |
|---------------|------------|---|---|------------|
| Lau Jui Peng | 24,583,822 | 0 | 0 | 24,583,822 |
| Nam Hiok Joo | 363,600 | 0 | 0 | 363,600 |
| Loh Wee Ching | 165,500 | 0 | 0 | 165,500 |
| Goh Wen Ling | 1,000,000 | 0 | 0 | 1,000,000 |

Indirect Interest

| | | | | |
|---------------------------|---------------|---|---|---------------|
| Lau Jui Peng ¹ | 1,927,201,000 | 0 | 0 | 1,927,201,000 |
|---------------------------|---------------|---|---|---------------|

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

¹ Emerging Glory Sdn. Bhd. through CW Lau & Sons Sdn. Bhd.

| | Number of ordinary shares | | | At 31.12.2025 |
|--|---------------------------|----------|----------|------------------|
| | At 1.1.2025 | Acquired | Disposed | |

**Shares in ultimate holding company –
Emerging Glory Sdn. Bhd.**

Indirect Interest

| | | | | |
|---------------------------|-----------|---|---|-----------|
| Lau Jui Peng ¹ | 7,820,782 | 0 | 0 | 7,820,782 |
|---------------------------|-----------|---|---|-----------|

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

¹ CW Lau & Sons Sdn. Bhd.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

By virtue of his interest in the shares of the ultimate holding company, Lau Jui Peng is also deemed to have interest in the shares of the Company and all of its related corporations to an extent that the ultimate holding company has interest.

| | Number of share options | | | At 31.12.2025 |
|--|-------------------------|---------|--------|------------------|
| | At 1.1.2025 | Granted | Lapsed | |
| Options over shares in penultimate holding company – Leong Hup International Berhad | | | | |
| Lau Jui Peng | 1,275,000 | 0 | 0 | 1,275,000 |
| Nam Hiok Joo | 225,000 | 0 | 0 | 225,000 |
| Loh Wee Ching | 225,000 | 0 | 0 | 225,000 |

DIRECTORS' REMUNERATION

Details of Directors' remuneration received and become entitled to receive by the Directors are as follows:

| | RM |
|---|-----------|
| Executive Directors of the Company | |
| Short-term employee benefits | 831,379 |
| Defined contribution plans | 157,182 |
| Share-based payment | 27,654 |
| Benefits-in-kind | 28,000 |
| | 1,044,215 |
| Non-Executive Directors of the Company | |
| Short-term employee benefits | 210,500 |
| Total Directors' remuneration | 1,254,715 |

No indemnity or insurance effected for any Director was paid or declared by the Company for the financial year ended 31 December 2025.

HOLDING COMPANIES

The Company is a subsidiary of Advantage Valuations Sdn. Bhd.. The Directors regard Leong Hup International Berhad and Emerging Glory Sdn. Bhd. as its penultimate and ultimate holding company. All the holding companies are incorporated in Malaysia.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

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

DIRECTORS' REPORT (CONTINUED)

SUBSIDIARIES

Details of subsidiaries are set out in Note 12 to the financial statements.

AUDITORS' REMUNERATION

The total amount of fees paid or payable to the auditor as remuneration for the services as auditors of the Group and Company for the financial year ended 31 December 2025 amounted to RM419,414 and RM89,800 respectively.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 14 April 2026. Signed on behalf of the Board of Directors:

LAU JUI PENG
DIRECTOR

NAM HIOK JOO
DIRECTOR

Yong Peng

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|------|----------------------|---------------|
| Revenue | 4 | 735,876,742 | 753,770,655 |
| Other income | 5 | 88,515,499 | 99,288,755 |
| Purchase of trading merchandise, raw materials, livestock and poultry feeds | | (466,306,215) | (511,675,227) |
| Changes in closing inventories | | (14,310,564) | 3,758,821 |
| Changes in biological assets | | 19,950,516 | 57,629,669 |
| Employee benefit expenses | 6 | (86,598,589) | (90,711,724) |
| Depreciation of property, plant and equipment | 10 | (30,314,412) | (28,312,498) |
| Depreciation of right-of-use assets | 11 | (1,646,992) | (1,087,793) |
| Utilities expense | | (15,042,082) | (15,069,838) |
| Transportation expenses | | (27,406,183) | (24,869,637) |
| Other expenses | | (46,490,203) | (42,640,996) |
| Operating profit | | 156,227,517 | 200,080,187 |
| Finance income | | | |
| - Interest income | | 4,671,497 | 3,557,506 |
| Finance cost | 7 | (4,395,433) | (5,221,465) |
| Finance costs - net | | 276,064 | (1,663,959) |
| Profit before tax | 8 | 156,503,581 | 198,416,228 |
| Tax | 9 | (14,429,277) | (15,055,640) |
| Net profit for the financial year | | 142,074,304 | 183,360,588 |
| Other comprehensive income: | | | |
| Items that will be subsequently reclassified to profit or loss | | | |
| - Currency translation differences | | (1,077,834) | (2,096,925) |
| Items that will not be subsequently reclassified to profit or loss | | | |
| - Fair value changes of equity instruments classified as FVOCI | | (575) | 850 |
| Total other comprehensive income | | (1,078,409) | (2,096,075) |
| Total comprehensive income for the financial year | | 140,995,895 | 181,264,513 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|-------|--------------------|-------------|
| Profit for the financial year attributable to: | | | |
| Owners of the Company | | 142,101,387 | 183,364,421 |
| Non-controlling interests | | (27,083) | (3,833) |
| | | 142,074,304 | 183,360,588 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 141,022,978 | 181,268,346 |
| Non-controlling interests | | (27,083) | (3,833) |
| | | 140,995,895 | 181,264,513 |
| Earnings per ordinary share attributable to the ordinary equity holders of the Company (sen): | | | |
| Basic | 25(a) | 24.09 | 30.97 |
| Diluted | 25(b) | 24.09 | 30.97 |

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|--|------|--------------------|-------------|
| Revenue | 4 | 58,653,968 | 39,988,026 |
| Other income | 5 | 0 | 608 |
| Employee benefit expenses | 6 | (3,682,249) | (4,529,503) |
| Depreciation of property, plant and equipment | 10 | (930,064) | (917,556) |
| Other expenses | | (604,268) | (834,322) |
| Operating profit | | 53,437,387 | 33,707,253 |
| Finance income | | 334,069 | 444,013 |
| Finance cost | 7 | (1,633) | (41,502) |
| Finance cost - net | | 332,436 | 402,511 |
| Profit before tax | 8 | 53,769,823 | 34,109,764 |
| Tax | 9 | (208,096) | (438,896) |
| Net profit and total comprehensive income for the financial year | | 53,561,727 | 33,670,868 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|------|--------------------|--------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 501,512,679 | 438,534,690 |
| Right-of-use assets | 11 | 3,512,320 | 1,447,885 |
| Equity instruments classified as FVOCI | 13 | 7,355 | 4,446,460 |
| Investment in an associate company | | 24,500 | 0 |
| Deferred tax assets | 14 | 168,005 | 268,837 |
| Trade and other receivables, and prepayments | 17 | 16,793,109 | 0 |
| | | 522,017,968 | 444,697,872 |
| CURRENT ASSETS | | | |
| Biological assets | 15 | 151,804,326 | 131,853,810 |
| Inventories | 16 | 61,157,401 | 75,348,346 |
| Trade and other receivables, and prepayments | 17 | 57,331,059 | 63,221,000 |
| Tax recoverable | | 523,859 | 4,181,891 |
| Cash and bank balances | 18 | 183,482,574 | 126,843,510 |
| | | 454,299,219 | 401,448,557 |
| TOTAL ASSETS | | 976,317,187 | 846,146,429 |
| EQUITY AND LIABILITIES | | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Share capital | 19 | 60,011,036 | 60,011,036 |
| Treasury shares | 20 | (14,643,297) | (6,148,710) |
| Other reserves | 21 | (23,958,244) | (23,106,883) |
| Retained earnings | | 700,224,022 | 587,677,422 |
| | | 721,633,517 | 618,432,865 |
| Non-controlling interest | | (27,416) | (333) |
| TOTAL EQUITY | | 721,606,101 | 618,432,532 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|-------------------------------------|------|--------------------|-------------|
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Bank borrowings | 22 | 43,783,691 | 30,383,117 |
| Lease liabilities | 23 | 2,130,424 | 577,941 |
| Deferred tax liabilities | 14 | 38,300,203 | 35,114,716 |
| | | 84,214,318 | 66,075,774 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 24 | 78,539,301 | 91,278,372 |
| Bank borrowings | 22 | 87,530,582 | 67,404,588 |
| Lease liabilities | 23 | 1,535,887 | 887,885 |
| Tax liabilities | | 2,890,998 | 2,067,278 |
| | | 170,496,768 | 161,638,123 |
| TOTAL LIABILITIES | | 254,711,086 | 227,713,897 |
| TOTAL EQUITY AND LIABILITIES | | 976,317,187 | 846,146,429 |

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|------|--------------------|-------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 3,067,174 | 3,340,834 |
| Investments in subsidiaries | 12 | 180,673,285 | 170,673,285 |
| | | 183,740,459 | 174,014,119 |
| CURRENT ASSETS | | | |
| Trade and other receivables, and prepayments | 17 | 486,069 | 905,773 |
| Tax recoverable | | 0 | 9,747 |
| Cash and bank balances | 18 | 9,316,097 | 3,653,499 |
| | | 9,802,166 | 4,569,019 |
| TOTAL ASSETS | | 193,542,625 | 178,583,138 |
| EQUITY AND LIABILITIES | | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Share capital | 19 | 60,011,036 | 60,011,036 |
| Treasury shares | 20 | (14,643,297) | (6,148,710) |
| Other reserves | 21 | 214,652 | 155,418 |
| Retained earnings | | 145,601,750 | 121,594,810 |
| TOTAL EQUITY | | 191,184,141 | 175,612,554 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | 14 | 214,000 | 206,000 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 24 | 2,061,524 | 2,764,584 |
| Tax liabilities | | 82,960 | 0 |
| | | 2,144,484 | 2,764,584 |
| TOTAL LIABILITIES | | 2,358,484 | 2,970,584 |
| TOTAL EQUITY AND LIABILITIES | | 193,542,625 | 178,583,138 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| Note | Share capital RM | Treasury shares RM | Reverse acquisition reserve RM | Currency translation reserve RM | Fair value reserve RM | Capital contribution reserve RM | Retained earnings RM | Non-controlling interest RM | Total RM |
|--|---------------------|-----------------------|-----------------------------------|------------------------------------|--------------------------|------------------------------------|-------------------------|--------------------------------|--------------|
| At 1 January 2025 | 60,011,036 | (6,148,710) | (26,078,000) | 2,131,551 | 5,719 | 833,847 | 587,677,422 | (333) | 618,432,532 |
| <u>Comprehensive income</u> | | | | | | | | | |
| Net profit for the financial year | 0 | 0 | 0 | 0 | 0 | 0 | 142,101,387 | (27,083) | 142,074,304 |
| <u>Other comprehensive income</u> | | | | | | | | | |
| - Fair value changes of equity instruments classified as FVOCI | 0 | 0 | 0 | 0 | (575) | 0 | 0 | 0 | (575) |
| - Foreign currency translation differences | 0 | 0 | 0 | (1,077,834) | 0 | 0 | 0 | 0 | (1,077,834) |
| Total comprehensive income for the financial year | 0 | 0 | 0 | (1,077,834) | (575) | 0 | 142,101,387 | (27,083) | 140,995,895 |
| <u>Transaction with owners in their capacity as owners:</u> | | | | | | | | | |
| Buy-back of ordinary shares | 0 | (8,494,587) | 0 | 0 | 0 | 0 | 0 | 0 | (8,494,587) |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | 0 | (29,554,787) | 0 | (29,554,787) |
| ESOS | | | | | | | | | |
| - value of employee service | 0 | 0 | 0 | 0 | 0 | 227,048 | 0 | 0 | 227,048 |
| | 0 | (8,494,587) | 0 | 0 | 0 | 227,048 | (29,554,787) | 0 | (37,822,326) |
| At 31 December 2025 | 60,011,036 | (14,643,297) | (26,078,000) | 1,053,717 | 5,144 | 1,060,895 | 700,224,022 | (27,416) | 721,606,101 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| Note | Share capital RM | Treasury shares RM | Reverse acquisition reserve RM | Currency translation reserve RM | Fair value reserve RM | Capital contribution reserve RM | Retained earnings RM | Non-controlling interest RM | Total RM |
|--|---------------------|-----------------------|-----------------------------------|------------------------------------|--------------------------|------------------------------------|-------------------------|--------------------------------|--------------|
| At 1 January 2024 | 60,011,036 | (8,845,107) | (26,078,000) | 4,228,476 | 4,869 | 534,581 | 447,222,294 | 0 | 477,078,149 |
| <u>Comprehensive income</u> | | | | | | | | | |
| Net profit for the financial year | 0 | 0 | 0 | 0 | 0 | 0 | 183,364,421 | (3,833) | 183,360,588 |
| <u>Other comprehensive income</u> | | | | | | | | | |
| - Fair value changes of equity instruments classified as FVOCI | 0 | 0 | 0 | 0 | 850 | 0 | 0 | 0 | 850 |
| - Foreign currency translation differences | 0 | 0 | 0 | (2,096,925) | 0 | 0 | 0 | 0 | (2,096,925) |
| Total comprehensive income for the financial year | 0 | 0 | 0 | (2,096,925) | 850 | 0 | 183,364,421 | (3,833) | 181,264,513 |
| <u>Transaction with owners in their capacity as owners:</u> | | | | | | | | | |
| Buy-back of ordinary shares | 0 | (3,005,423) | 0 | 0 | 0 | 0 | 0 | 0 | (3,005,423) |
| Dividends paid ESOS | 0 | 0 | 0 | 0 | 0 | 0 | (37,207,473) | 0 | (37,207,473) |
| - value of employee service | 0 | 0 | 0 | 0 | 0 | 299,266 | 0 | 0 | 299,266 |
| Non-controlling interests on acquisition of a subsidiary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,500 | 3,500 |
| Share dividend | 0 | 5,701,820 | 0 | 0 | 0 | 0 | (5,701,820) | 0 | 0 |
| At 31 December 2024 | 60,011,036 | (6,148,710) | (26,078,000) | 2,131,551 | 5,719 | 833,847 | 587,677,422 | (333) | 618,432,532 |

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Share capital RM | Treasury shares RM | Capital contribution reserve RM | Retained earnings RM | Total RM |
|--|------|---------------------|-----------------------|------------------------------------|-------------------------|--------------|
| At 1 January 2025 | | 60,011,036 | (6,148,710) | 155,418 | 121,594,810 | 175,612,554 |
| <u>Comprehensive income</u> | | | | | | |
| Net profit and total comprehensive income for the financial year | | 0 | 0 | 0 | 53,561,727 | 53,561,727 |
| <u>Transaction with owners in their capacity as owners:</u> | | | | | | |
| Buy-back of ordinary shares | 20 | 0 | (8,494,587) | 0 | 0 | (8,494,587) |
| Dividends paid | 26 | 0 | 0 | 0 | (29,554,787) | (29,554,787) |
| ESOS | | | | | | |
| - value of employee service | 21 | 0 | 0 | 59,234 | 0 | 59,234 |
| | | 0 | (8,494,587) | 59,234 | (29,554,787) | (37,990,140) |
| At 31 December 2025 | | 60,011,036 | (14,643,297) | 214,652 | 145,601,750 | 191,184,141 |
| At 1 January 2024 | | 60,011,036 | (8,845,107) | 76,326 | 130,833,235 | 182,075,490 |
| <u>Comprehensive income</u> | | | | | | |
| Net profit and total comprehensive income for the financial year | | 0 | 0 | 0 | 33,670,868 | 33,670,868 |
| <u>Transaction with owners in their capacity as owners:</u> | | | | | | |
| Buy-back of ordinary shares | 20 | 0 | (3,005,423) | 0 | 0 | (3,005,423) |
| Dividends paid | 26 | 0 | 0 | 0 | (37,207,473) | (37,207,473) |
| Share dividend | 20 | 0 | 5,701,820 | 0 | (5,701,820) | 0 |
| ESOS | | | | | | |
| - value of employee service | 21 | 0 | 0 | 79,092 | 0 | 79,092 |
| | | 0 | 2,696,397 | 79,092 | (42,909,293) | (40,133,804) |
| At 31 December 2024 | | 60,011,036 | (6,148,710) | 155,418 | 121,594,810 | 175,612,554 |

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|------|---------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit for the financial year | | 142,074,304 | 183,360,588 |
| Adjustments for: | | | |
| Property, plant and equipment | | | |
| - depreciation | | 30,314,412 | 28,312,498 |
| - gain on disposal | | (288,569) | (6,845,132) |
| - written off | | 1,865,978 | 1,815,339 |
| Right-of-use assets | | | |
| - depreciation | | 1,646,992 | 1,087,793 |
| - gain on lease termination | | 0 | (281,291) |
| Inventories | | | |
| - written off | | 593,805 | 300,540 |
| - allowance for slow moving inventories | | 990,538 | 112,115 |
| Bad debts written off | | 20,957 | 35,281 |
| (Reversal of)/Allowance for impairment loss on trade receivables | | (680,114) | 254,961 |
| Deposit written off | | (1,859) | (1,000) |
| Fair value loss/(gain) on derivatives | | 25,854 | (44,237) |
| Unrealised loss on foreign exchange | | 438,978 | 315,738 |
| Dividend income | | (175) | (450) |
| Finance cost | | 4,395,433 | 5,221,465 |
| Interest income | | (4,671,497) | (3,557,506) |
| Fair value changes on other investment | | 4,410,585 | 0 |
| Share-based compensation expense | | 227,041 | 299,241 |
| Tax charge | | 14,429,277 | 15,055,640 |
| | | 195,791,940 | 225,441,583 |
| Changes in working capital: | | | |
| Increase in biological assets | | (19,950,516) | (57,629,669) |
| Decrease/(Increase) in inventories | | 12,531,596 | (4,172,115) |
| Decrease/(Increase) in trade and other receivables, and prepayments | | 6,332,458 | (1,355,783) |
| (Decrease)/Increase in trade and other payables | | (17,662,864) | 10,248,366 |
| Cash generated from operations | | 177,042,614 | 172,532,382 |
| Interest received | | 4,671,497 | 3,557,506 |
| Tax paid | | (10,543,489) | (9,158,247) |
| Tax refund | | 3,900,970 | 274,309 |
| Net cash flow generated from operating activities | | 175,071,592 | 167,205,950 |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|-------|--------------------|--------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Dividend received | | 175 | 450 |
| Acquisition of associate company | | (24,500) | 0 |
| Net cash acquired | 12(b) | 0 | 3,500 |
| Proceeds from disposal of property, plant and equipment | | 293,923 | 29,335,758 |
| Purchase of property, plant and equipment | 10(a) | (107,488,179) | (99,990,676) |
| Placement of fixed deposits of more than three months maturity with licensed bank | | (15,488,276) | 0 |
| Payment for financial assets at fair value through other comprehensive income | | 0 | (4,601,610) |
| Net cash flow used in investing activities | | (122,706,857) | (75,252,578) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from drawdown of bankers' acceptances | | 158,500,000 | 0 |
| Repayment of bankers' acceptances | | (146,500,000) | 0 |
| Net movements in bankers' acceptances of less than three months | | 986,000 | 12,638,000 |
| Payments for shares buy back | | (8,494,587) | (3,005,423) |
| Proceeds from drawdown of revolving credit | | 19,000,000 | 2,000,000 |
| Repayment of revolving credit | | (12,000,000) | (2,000,000) |
| Proceeds from drawdown of term loans | | 29,162,149 | 7,395,059 |
| Repayment of term loans | | (15,621,581) | (28,365,049) |
| Repayment of hire purchase payables | | 0 | (7,472,197) |
| Repayment of lease liabilities | | (1,506,027) | (1,056,412) |
| Finance cost paid | | (4,395,433) | (5,221,465) |
| Dividend paid to Company's shareholders | | (29,554,787) | (37,207,473) |
| Net cash flow used in financing activities | | (10,424,266) | (62,294,960) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR | | 41,940,469 | 29,658,412 |
| EFFECTS OF FOREIGN CURRENCY EXCHANGE TRANSLATION | | (789,681) | (1,751,084) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | 126,843,510 | 98,936,182 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 18 | 167,994,298 | 126,843,510 |

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Non-cash changes | | | | | | | At 1.1.2025 RM | Cash inflows RM | Cash outflows RM | Interest paid RM | Interest accretion movement RM | Foreign currency exchange movement RM | New leases/ hire purchase RM | At 31.12.2025 RM |
|------------------------------------|----------------------|-----------------------|------------------------|------------------------|---|---|--|----------------------|-----------------------|------------------------|------------------------|---|---|--|------------------------|
| | At 1.1.2024 RM | Cash inflows RM | Cash outflows RM | Interest paid RM | Interest accretion movement RM | Foreign currency exchange movement RM | New leases/ hire purchase RM | | | | | | | | |
| Bankers' acceptances | 59,451,000 | 285,817,000 | (272,831,000) | (2,918,133) | 2,918,133 | 0 | 0 | 72,437,000 | | | | | | | |
| Term loans | 38,336,705 | 29,162,149 | (15,621,581) | (807,155) | 807,155 | 0 | 0 | 51,877,273 | | | | | | | |
| Revolving credit | 0 | 19,000,000 | (12,000,000) | (409,590) | 409,590 | 0 | 0 | 7,000,000 | | | | | | | |
| Bank overdrafts and other interest | 0 | 0 | 0 | (70,202) | 70,202 | 0 | 0 | 0 | | | | | | | |
| Lease liabilities | 1,465,826 | 0 | (1,506,027) | (190,353) | 190,353 | (109,099) | 3,815,611 | 3,666,311 | | | | | | | |
| | 99,253,531 | 333,979,149 | (301,958,608) | (4,395,433) | 4,395,433 | (109,099) | 3,815,611 | 134,980,584 | | | | | | | |
| | 46,813,000 | 269,694,000 | (257,056,000) | 2,429,989 | 2,429,989 | 0 | 0 | 59,451,000 | | | | | | | |
| Bankers' acceptances | 59,306,695 | 7,395,059 | (28,365,049) | (2,371,771) | 2,371,771 | 0 | 0 | 38,336,705 | | | | | | | |
| Term loans | 0 | 2,000,000 | (2,000,000) | 7,025 | 7,025 | 0 | 0 | 0 | | | | | | | |
| Revolving credit | 7,258,197 | 0 | (7,472,197) | (254,642) | 254,642 | 0 | 214,000 | 0 | | | | | | | |
| Hire purchase payables | 0 | 0 | 0 | (39,697) | 39,697 | 0 | 0 | 0 | | | | | | | |
| Bank overdrafts and other interest | 4,093,208 | 0 | (1,056,412) | (118,341) | 118,341 | (117,779) | 1,682,189 | 1,465,826 | | | | | | | |
| Lease liabilities | 117,471,100 | 279,089,059 | (295,949,658) | (5,221,465) | 5,221,465 | (117,779) | 1,896,189 | 99,253,531 | | | | | | | |

COMPANY STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|---|-------|---------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit for the financial year | | 53,561,727 | 33,670,868 |
| Adjustments for: | | | |
| Property, plant and equipment | | | |
| - depreciation | | 930,064 | 917,556 |
| - written off | | 5,437 | 9,393 |
| Dividend income | | (55,837,500) | (37,000,000) |
| Finance cost | | 1,633 | 41,502 |
| Interest income | | (334,069) | (444,013) |
| Share-based payments | | 59,234 | 79,092 |
| Tax charge | | 208,096 | 438,896 |
| | | (1,405,378) | (2,286,706) |
| Changes in working capital: | | | |
| Decrease/(Increase) in trade and other receivables, and prepayments | | 425,828 | (4,330) |
| (Decrease)/Increase in trade and other payables | | (1,112,139) | 1,183,416 |
| Cash used in operations | | (2,091,689) | (1,107,620) |
| Tax paid | | (130,865) | (159,167) |
| Tax refund | | 23,476 | 0 |
| Net cash flow used in operating activities | | (2,199,078) | (1,266,787) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Dividend received | | 55,837,500 | 37,000,000 |
| Payment for additional investment in subsidiary | | (10,000,000) | (10,000,000) |
| Purchase of property, plant and equipment | 10(a) | (252,762) | (382,034) |
| Interest received | | 334,069 | 447,888 |
| Repayment from/(Advances to) subsidiaries | | 0 | 2,117,041 |
| Payment on behalf of subsidiaries | | 1,383,975 | 0 |
| Collection in relation to payment on behalf of subsidiaries | | (1,392,653) | 0 |
| Advance to a subsidiary | | (600,000) | 0 |
| Repayment from a subsidiary | | 600,000 | 0 |
| Net cash flow generated from investing activities | | 45,910,129 | 29,182,895 |

COMPANY STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | 2025 RM | 2024 RM |
|--|------|---------------------|--------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of hire purchase payables | | 0 | (1,551,136) |
| Dividend paid | | (29,554,787) | (37,207,473) |
| Interest paid | | (1,633) | (41,502) |
| Advance from a subsidiary | | 700,000 | 0 |
| Repayment to a subsidiary | | (701,442) | 0 |
| Shares repurchased | | (8,494,587) | (3,005,423) |
| Net cash flow used in financing activities | | (38,052,449) | (41,805,534) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR | | 5,658,602 | (13,889,426) |
| NON-CASH SETTLED TRANSACTION WITH INTERCOMPANY (*) | | 3,996 | 0 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | 3,653,499 | 17,542,925 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 18 | 9,316,097 | 3,653,499 |

* Included in the movement of amount owing to intercompany is a non-cash settlement amounting to RM3,996 (2024: RM NIL), which is therefore excluded from the statement of cash flows.

COMPANY STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | At 1.1.2025 RM | Cash inflows RM | Cash outflows RM | Interest paid RM | Non-cash changes | | At 31.12.2025 RM |
|----------------------------|----------------------|-----------------------|------------------------|------------------------|-----------------------------|----------------------------|------------------------|
| | | | | | Interest accretion RM | Payment on behalf RM | |
| Amount due to a subsidiary | 0 | 700,000 | (701,442) | (1,633) | 1,633 | 1,442 | 0 |
| | | | | | | | |
| | At 1.1.2024 RM | Cash inflows RM | Cash outflows RM | Interest paid RM | Non-cash changes | | At 31.12.2024 RM |
| | | | | | Interest accretion RM | New hire purchase RM | |
| Hire purchase payables | 1,551,136 | 0 | (1,551,136) | (41,502) | 41,502 | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1 GENERAL INFORMATION

The Group is principally engaged in the production and distribution of eggs and related poultry products, animal health products, animal feeds, paper egg trays, fertiliser by-product business and poultry farming related intelligent machinery, equipment and robots while the Company is in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 12 to the financial statements.

The Company is a subsidiary of Advantage Valuations Sdn. Bhd.. The Directors regard Leong Hup International Berhad and Emerging Glory Sdn. Bhd. as its penultimate and ultimate holding company. All the holding companies are incorporated in Malaysia. The penultimate holding company, Leong Hup International Berhad a company listed on the Main Market of Bursa Malaysia Securities Berhad prepares consolidated financial statements available for public use.

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

The address of the registered office of the Company is 201 - 203, Jalan Abdullah, 84000 Muar, Johor Darul Takzim.

The address of the principal place of business of the Company is Lot PTD 25740, Batu 4, Jalan Air Hitam, 83700 Yong Peng, Johor Darul Takzim.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed on 14 April 2026.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention, as modified by the biological assets, financial assets at fair value through other comprehensive income, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.1.

2.2 Standards and amendments to published standards that are effective

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

i. Amendments to MFRS 121 "Lack of Exchangeability" (effective for annual periods beginning on or after 1 January 2025)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

2.3 IFRIC® agenda decision that are concluded and published

In view that MFRS is fully converged with IFRS Accounting Standards, the Group considers all agenda decisions published by the IFRS Interpretations Committee. Where relevant, the Group may change its accounting policy to be aligned with the agenda decision.

During the financial year ended 31 December 2025, the Group has assessed the implications of the following IFRIC® agenda decisions:

i. Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)

This agenda decision clarified that entities reporting segment information in their financial statements should disclose specified income and expense items for each reportable segment, provided these items are included in the segment profit measure reviewed by the chief operating decision maker (“CODM”), regardless of whether they are separately reviewed by the CODM. Additionally, entities should apply the requirements for materiality and aggregation under MFRS 101 when determining which additional material items of income and expense should be disclosed in segment reporting.

In line with the IFRIC® agenda decision, the Group has reassessed material items included in the profit before tax measure reviewed by the CODM and determined that the purchase of trading merchandise, raw materials, livestock and poultry feeds, employee benefit expenses, net impairment of receivables, depreciation of property, plant and equipment and upkeep expenses are other material items. Accordingly, the Group has included these expenses in the segment information and comparatives information disclosed in Note 28 have been restated.

ii. Guarantees Issued on Obligations of Other Entities

This agenda decision provides guidance on the accounting for guarantees issued on behalf of other entities, focusing on when such guarantees should be recognised as liabilities and how to measure them. The Group has reviewed its existing guarantees and accounting policies and concluded no material impacts to its accounting treatment and disclosures in Note 29(c) for the year ended 31 December 2025.

2.4 New standards and amendments that have been issued but not yet effective and not yet adopted by the Group and Company

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group and Company. The Group’s and Company’s assessment of the impact of these new standards and amendments is set out below:

i. Amendments to MFRS 9 and MFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’ (effective 1 January 2026) have:

- require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**2.4 New standards and amendments that have been issued but not yet effective and not yet adopted by the Group and Company (continued)**

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group and Company. The Group's and Company's assessment of the impact of these new standards and amendments is set out below: (continued)

i. Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) have: (continued)

- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group and Company does not expect these amendments to have a material impact on its operations or financial statements.

ii. MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements':

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

The Group and Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with MFRS 18.

iii. Annual Improvements to MFRS Accounting Standards for enhanced consistency

These improvements are not expected to have a significant impact on the consolidated financial statements of the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Critical accounting estimates and judgements

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

Biological assets

The fair value of biological assets is determined using a discounted cash flow model, based on the expected cash inflow from the table eggs produced by each layer, less expected costs incurred over the life span of the pullets and layers, and imputed contributory assets charges for the assets essential to produce table eggs.

In measuring the fair value of biological assets, Directors and management are required to exercise significant judgement to estimate the expected number of table eggs produced by each layer, the expected selling price of the table eggs, expected salvage value of layers, mortality rate, feed consumption rate, feed costs and other estimated costs to be incurred over the life span of the layers, as well as the discount rate used for the cash flow. Changes to any of these assumptions would affect the fair value of the biological assets.

The Group recorded a fair value for its biological assets of RM151,804,326 as at 31 December 2025 (2024: RM131,853,810). The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 15 to the financial statements.

3.2 Consolidation

Subsidiaries

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

Business combination under acquisition method

For business combination accounted for under acquisition method, the consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquired is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset, or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.2 Consolidation (continued)**Business combination under common control

The Group applies predecessor accounting to account for business combinations under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to retained earnings. No additional goodwill is recognised.

Transaction between Group companies

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Loss of control

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

3.3 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The financial statements of the subsidiaries as stated in Note 12 have not been consolidated as the Company has applied the exemption granted under paragraph 4(a) of MFRS 10 "Consolidated Financial Statements". Under the exemption, consolidated financial statements of the Company are not required to be prepared as the Company is a wholly owned subsidiary of Teo Seng Capital Berhad ("TSCB"), a company incorporated in Malaysia. The consolidated financial statements of TSCB, where the financial statements of the Company have been consolidated into are available at its registered office at 201 - 203, Jalan Abdullah, 84000 Muar, Johor Darul Takzim.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.4 Property, plant and equipment**

Property, plant and equipment are initially stated at cost. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and 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 recognised as expenses in profit or loss during the financial period in which they are incurred.

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

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

| | |
|---|-----------|
| Farm and poultry buildings | 2% - 20% |
| Factory buildings | 1% - 3% |
| Plant and machinery and electrical installation | 5% - 20% |
| Fish pond and equipment | 5% - 10% |
| Egg layer conveyor and cages system | 5% |
| Motor vehicles | 20% |
| Furniture, fittings and equipment | 10% - 33% |
| Renovation and hostel | 2 - 20% |

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

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

At the end of the reporting year, the Group and Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. (See accounting policy Note 3.5 on impairment of non-financial assets).

3.5 Impairment of non-financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.5 Impairment of non-financial assets (continued)**

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

3.6 Leases**(a) Accounting by lessee**

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

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

(i) Lease term

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

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

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(a) Accounting by lessee (continued)

(iii) Lease liabilities

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

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase options if the Group is reasonably certain to exercise that option;
- Lease payments to be made under an extension option if the Group is reasonably certain to exercise the option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

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

(iv) Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

A change in lease payments (including rent concession), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

(v) Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture and equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in profit or loss.

3.7 Biological assets

Biological assets comprise pullets and layers are measured at fair value less cost to sell.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.7 Biological assets (continued)**

Costs to sell include the incremental costs directly attributable to the sale of eggs but excludes finance costs and income taxes.

Changes in fair value of livestock are recognised in the profit or loss.

3.8 Trade and other receivables

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

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

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. See accounting policy Note 3.10(d) on impairment of financial assets.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average costs.

Costs of egg trays, fertiliser and fertiliser work-in-progress comprise the costs of materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs of poultry feeds, trading merchandise, raw materials for feeds, consumables and medication, comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

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

3.10 Financial assets**(a) Classification**

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group and Company has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group and Company reclassifies debt instruments only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.10 Financial assets (continued)****(b) Recognition and derecognition**

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

(c) Measurement

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

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

Debt instruments

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

The Group and Company classified its debts instruments at amortised cost or FVTPL.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in "finance income" using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the statement of comprehensive income as applicable.

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in "other income" or "other expenses" in the statement of comprehensive income as applicable.

(d) Subsequent measurement – ImpairmentImpairment for debt instruments and financial guarantee contracts

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.10 Financial assets (continued)****(d) Subsequent measurement – Impairment (continued)**Impairment for debt instruments and financial guarantee contracts (continued)

The Group and Company have the following financial instruments that are subject to the ECL model:

- Trade receivables: trade receivables - external, amounts due from related companies and related parties
- Sundry receivables
- Intercompany receivables (non-trade): amount due from subsidiaries
- Financial guarantee contracts

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

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

The measurement of ECL reflects:

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

The ECL approach can be classified into the categories below:

- (i) General 3-stage approach for other financial assets at amortised cost

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

- (ii) Simplified approach for trade receivables

The Group and Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Significant increase in credit risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

Significant increase in credit risk (continued)

The following indicators are incorporated:

- Historical loss rates
- Probability weighting
- Forward-looking information - GDP growth rate and inflation rate
- Specific bad debt provision

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

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

Quantitative criteria:

The Group and Company defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

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

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

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

Groupings of instruments for ECL measured on collective basis

- Collective assessment

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics such as type of customers and the days past due.

- Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.10 Financial assets (continued)****(d) Subsequent measurement – Impairment (continued)**Write-off

- Trade receivables

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

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

- Other financial assets at amortised cost

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

3.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3.12 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for at fair value through profit or loss. Changes in the fair value are recognised immediately in profit or loss.

3.13 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm's length transaction.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Financial guarantee contracts (continued)

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

3.14 Trade and other payables

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

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

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

3.15 Current and deferred income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year.

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

The benefit from reinvestment allowance, pioneer loss and green investment tax allowance is recognised when the tax credit is utilised as a reduction of current tax and no deferred tax asset is recognised when the tax credit arises.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.15 Current and deferred income taxes (continued)**

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

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

3.16 Share capital**(i) Classification**

Ordinary shares are classified as equity.

(ii) Share issue costs

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

(iii) Dividend distribution

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

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

(iv) Purchase of own shares

Where the Company or its subsidiaries purchases the Company's equity instruments as a result of a share buy-back, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the Company.

(v) Earnings per shareBasic earnings per share

Basic earnings per share is calculated by dividing:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Share capital (continued)

(v) Earnings per share (continued)

Diluted earnings per share

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

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

3.17 Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, demand deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

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

Cash flows arising from the following activities may be reported on a net basis:

- Cash receipts and payments made on behalf of customers when the cash flows reflect the activities of the customers rather than those of the entity; and
- Cash receipts and payments for items where the turnover is quick, the amounts are large, and the maturities are short.

Accordingly, cash flows relating to bankers' acceptance with less than 3 months maturity are presented on a net basis where this provides a clearer and more meaningful reflection of actual cash movements. This treatment is principally applied to bankers' acceptance characterised by frequent turnover, substantial amounts, and maturities of three months or less.

3.18 Borrowings and borrowing costs

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.18 Borrowings and borrowing costs (continued)****(i) Borrowings (continued)**

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

Borrowings are classified as current liabilities unless, at the end of the reporting year, the Group and Company has a right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Covenants that the Group and Company is required to comply with, on or before the end of the reporting year, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group and Company is required to comply with after the reporting period do not affect the classification at the reporting date.

(ii) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.19 Revenue and other income**(i) Revenue from contracts with customers**

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

- Poultry farming (production and distribution of eggs and related poultry products, animal feeds, paper egg trays and fertiliser by-product)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.19 Revenue and other income (continued)****(i) Revenue from contracts with customers (continued)**

- Distribution of pet food, medicine and other animal health related products

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

- Income from investment holding and provision of management services

Income from investment holding and provision of management services is recognised over time when performance obligations of services promised in the contract is satisfied.

(ii) Revenue from other sources

- Interest income is recognised on the accrual's basis using the effective interest method.
- Dividend income is recognised when the Group and Company's right to receive payment is established.

3.20 Employee benefits**(i) Short term employee benefits**

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

The liabilities are presented as "Employee benefits obligation" in the statement of financial position.

(ii) Post-employment benefits

A defined contribution plan is a pension plan under which the Group and Company pays fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and the Group and Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group and Company's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**3.20 Employee benefits (continued)****(iii) Share-based payments - Employee options**

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

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

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

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

The credit to equity is treated as a capital contribution as the parent is compensating the Group's and Company's employees with no recharge of expenses to the Group and Company.

3.21 Functional currencies**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's and Company's entities 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 the Group's and Company's functional and presentation currency.

(ii) Transactions and balances

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.21 Functional currencies (continued)

(ii) Transactions and balances (continued)

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

(iii) Group companies

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

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

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

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

3.22 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 within "other income" over the periods to match the related costs for which the grants are intended to compensate.

3.23 Segment reporting

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4 REVENUE

| | Group | | Company | |
|---|--------------------|-------------|-------------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| <u>Revenue from contracts with customers:</u> | | | | |
| - Poultry farming | 621,170,826 | 643,699,994 | 0 | 0 |
| - Distribution of pet food, medicine and other animal health related products | 114,705,916 | 109,816,688 | 0 | 0 |
| - Investment holding and provision of management services | 0 | 0 | 2,816,468 | 2,988,026 |
| <u>Revenue from other sources:</u> | | | | |
| - Dividend income from subsidiaries | 0 | 0 | 55,837,500 | 37,000,000 |
| - Warehousing rental income | 0 | 253,973 | 0 | 0 |
| Total revenue | 735,876,742 | 753,770,655 | 58,653,968 | 39,988,026 |
| <u>Timing of revenue recognition:</u> | | | | |
| Point in time | 735,876,742 | 753,770,655 | 0 | 0 |
| Over time | 0 | 0 | 2,816,468 | 2,988,026 |
| Total revenue | 735,876,742 | 753,770,655 | 2,816,468 | 2,988,026 |

5 OTHER INCOME

| | Group | | Company | |
|---|-------------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Insurance compensation claims | 316,408 | 115,256 | 0 | 0 |
| Lease income | 416,464 | 208,251 | 0 | 0 |
| Gain on disposal of property, plant and equipment | 288,569 | 6,845,132 | 0 | 0 |
| Gain on lease termination | 0 | 281,291 | 0 | 0 |
| Government subsidy (*)/grants | 86,767,375 | 91,395,696 | 0 | 0 |
| Sale of scrap | 601,724 | 335,842 | 0 | 0 |
| Others | 124,959 | 107,287 | 0 | 608 |
| Total | 88,515,499 | 99,288,755 | 0 | 608 |

* Government subsidy of RM86,767,375 was recognised during the financial year ended 31 December 2025 under "Program Subsidi Ayam dan Telur". The program has been approved by the government of Malaysia on 9 February 2024. The objective of the programme is to ease the burden of chicken farmers due to the increase in the production costs while the ceiling prices have been set for chicken and eggs. The program was effective from 5 February 2023 to 31 July 2025 during the financial year. Under the program, the eligible chicken farmers will receive cash when their applications have been approved by the Department of Veterinary Services ("DVS").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6 EMPLOYEE BENEFIT EXPENSES

| | Group | | Company | |
|--|-------------------|-------------------|------------------|------------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Staff cost (including Directors' remuneration) | | | | |
| Short-term employee benefits | 79,044,292 | 83,086,037 | 3,151,646 | 3,849,775 |
| Defined contribution plan | 7,327,256 | 7,126,446 | 471,369 | 600,636 |
| Defined benefit plan | 0 | 200,000 | 0 | 0 |
| Share-based payment | 227,041 | 299,241 | 59,234 | 79,092 |
| | 86,598,589 | 90,711,724 | 3,682,249 | 4,529,503 |

DIRECTORS' REMUNERATION

- (a) The aggregate amounts of remuneration received and receivable by the Directors of the Group and of the Company during the financial year are as follows:

| Group | 2025 RM | 2024 RM |
|---|-------------------|-------------------|
| <u>Executive Directors</u> | | |
| Short-term employee benefits | 10,296,024 | 8,703,254 |
| Defined contribution plan | 1,881,813 | 1,586,857 |
| Defined benefit plan | 0 | 200,000 |
| Share-based payment | 63,053 | 83,571 |
| Benefits-in-kind | 53,367 | 75,850 |
| | 12,294,257 | 10,649,532 |
| <u>Non-Executive Directors</u> | | |
| Short-term employee benefits | 956,055 | 937,158 |
| TOTAL DIRECTORS' REMUNERATION | 13,250,312 | 11,586,690 |
| | | |
| Company | 2025 RM | 2024 RM |
| <u>Executive Directors of the Company</u> | | |
| Short-term employee benefits | 831,379 | 1,320,630 |
| Defined contribution plan | 157,182 | 250,238 |
| Share-based payment | 27,654 | 36,655 |
| Benefits-in-kind | 28,000 | 28,000 |
| | 1,044,215 | 1,635,523 |
| <u>Non-Executive Directors of the Company</u> | | |
| Short-term employee benefits | 210,500 | 202,500 |
| TOTAL DIRECTORS' REMUNERATION | 1,254,715 | 1,838,023 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6 EMPLOYEE BENEFIT EXPENSES (CONTINUED)**DIRECTORS' REMUNERATION (CONTINUED)**

(b) The number of the Company's Directors with total remuneration falling in bands of RM150,000 are as follows:

| | Number of Directors | |
|---------------------------------|---------------------|------|
| | 2025 | 2024 |
| <u>Executive Directors:</u> | | |
| RM 750,001 - RM 900,000 | 1 | 1 |
| RM 900,001 – RM 1,650,000 | 0 | 1 |
| RM 1,650,001 – RM 1,950,000 | 1 | 0 |
| RM 1,950,001 – RM 2,850,000 | 0 | 1 |
| RM 2,850,001 – RM 5,400,000 | 1 | 0 |
| <u>Non-Executive Directors:</u> | | |
| RM 1 - RM 150,000 | 3 | 3 |

7 FINANCE COST

| | Group | | Company | |
|-----------------------------|------------------|------------------|--------------|---------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| <u>Interest expenses</u> | | | | |
| - bank overdrafts | 70,202 | 35,731 | 0 | 0 |
| - bankers' acceptances | 2,918,133 | 2,429,989 | 0 | 0 |
| - hire purchase | 0 | 254,642 | 0 | 41,502 |
| - revolving credit | 409,590 | 7,025 | 0 | 0 |
| - term loan | 807,155 | 2,371,771 | 0 | 0 |
| - lease liabilities | 190,353 | 118,341 | 0 | 0 |
| - others | 0 | 3,966 | 0 | 0 |
| - advance from a subsidiary | 0 | 0 | 1,633 | 0 |
| | 4,395,433 | 5,221,465 | 1,633 | 41,502 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8 PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

| | Group | | Company | |
|--|------------------|-------------|---------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Allowance for/(Reversal of) impairment loss on trade receivables | (680,114) | 254,961 | 0 | 0 |
| Auditors' remuneration (*) | | | | |
| - current | 419,414 | 470,725 | 89,800 | 81,500 |
| Property, plant and equipment | | | | |
| - gain on disposal | (288,569) | (6,845,132) | 0 | 0 |
| - written off | 1,865,978 | 1,815,339 | 5,437 | 9,393 |
| Inventories | | | | |
| - written off | 593,805 | 300,540 | 0 | 0 |
| - allowance for slow moving inventories | 990,538 | 112,115 | 0 | 0 |
| Short-term leases | 526,765 | 657,656 | 0 | 0 |
| Lease of low value assets | 267,182 | 247,947 | 0 | 0 |
| Foreign exchange loss/(gain) | | | | |
| - realised | 545,334 | 1,362,131 | 0 | 0 |
| - unrealised | 438,978 | 315,738 | 0 | 0 |

Included in other expenses of the Group and Company is the maintenance and upkeep of property, plant and equipment, amounting to RM19,244,684 (2024: RM17,219,035) and RM66,704 (2024: RM75,638) for the financial year.

| | Group | | Company | |
|---|----------------|------------|---------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| * Details of auditors' remuneration: | | | | |
| Fees for statutory audit | | | | |
| - PricewaterhouseCoopers PLT Malaysia | 298,000 | 284,500 | 83,000 | 75,000 |
| - member firm of PricewaterhouseCoopers International Limited | 0 | 173,225 | 0 | 0 |
| - other auditor | 107,814 | 0 | 0 | 0 |
| | 405,814 | 457,725 | 83,000 | 75,000 |
| Fees for assurance related services | | | | |
| - PricewaterhouseCoopers PLT Malaysia | 13,600 | 13,000 | 6,800 | 6,500 |
| Total | 419,414 | 470,725 | 89,800 | 81,500 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 TAX

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| <u>Current tax</u> | | | | |
| Current tax on profit for the financial year: | | | | |
| - Malaysian tax | 11,066,077 | 8,813,318 | 189,000 | 127,000 |
| - Foreign tax | 487,367 | 542,266 | 0 | 0 |
| (Over)/Under accrual in prior financial years | (527,490) | (622,671) | 11,096 | (43,104) |
| Total current tax expense | 11,025,954 | 8,732,913 | 200,096 | 83,896 |
| <u>Deferred income tax</u> | | | | |
| Decrease/(Increase) in deferred tax assets (Note 14) | 100,734 | (2,038) | 0 | 149,000 |
| Increase in deferred tax liabilities (Note 14) | 3,185,471 | 6,199,990 | 8,000 | 206,000 |
| Total deferred tax expense | 3,286,205 | 6,197,952 | 8,000 | 355,000 |
| <u>Real property gains tax</u> | | | | |
| Real property gains tax charge | 117,118 | 124,775 | 0 | 0 |
| Tax expense | 14,429,277 | 15,055,640 | 208,096 | 438,896 |

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

| | Group | | Company | |
|--|--------------|--------------|--------------|-------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Profit before tax | 156,503,581 | 198,416,228 | 53,769,823 | 34,109,764 |
| Tax at the domestic rates applicable to profits in the country concerned | 36,568,848 | 47,456,740 | 12,905,000 | 8,186,000 |
| Tax effects of: | | | | |
| - income not subject to tax | (21,175,287) | (34,479,129) | (13,401,000) | (8,880,000) |
| - expenses not deductible for tax purposes | 1,906,734 | 3,547,053 | 693,000 | 1,176,000 |
| - utilisation of tax losses previously not recognised | 0 | (5,133) | 0 | 0 |
| - statutory stepped income exemption | (108,833) | (81,043) | 0 | 0 |
| - real property gains tax | 117,118 | 124,775 | 0 | 0 |
| - utilisation of reinvestment allowance previously not recognised | (1,078,225) | (879,102) | 0 | 0 |
| - under provision of deferred tax in prior financial years | (1,273,588) | (5,850) | 0 | 0 |
| - (over)/under accrual in prior financial years | (527,490) | (622,671) | 11,096 | (43,104) |
| Tax expense | 14,429,277 | 15,055,640 | 208,096 | 438,896 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9 TAX (CONTINUED)

For the financial year ended 31 December 2025, the Group's Ultimate Parent Entity ("UPE") performed an assessment under the transitional safe harbour provisions. Teo Seng Capital Berhad was included in the UPE's Pillar Two assessment and, based on the outcome of that assessment, qualifies for transitional safe harbour relief. Accordingly, no top-up tax is required.

10 PROPERTY, PLANT AND EQUIPMENT

| Group | Freehold land, farm and poultry buildings RM | Freehold land and factory buildings RM | Plant and machinery and electrical installation RM | Egg layer conveyor and cages system RM |
|--|--|--|--|---|
| <u>At cost</u> | | | | |
| As at 1 January 2025 | 245,153,099 | 36,337,322 | 186,330,156 | 105,039,007 |
| Additions | 17,874,559 | 0 | 14,360,193 | 6,762,687 |
| Disposals | 0 | 0 | (172,495) | 0 |
| Write off | (2,089,413) | 0 | (5,923,138) | (2,103,143) |
| Reclassification | 24,308,186 | 0 | 19,556,947 | 16,304,318 |
| Foreign exchange difference | (28,589) | 0 | (4,938) | 0 |
| As at 31 December 2025 | 285,217,842 | 36,337,322 | 214,146,725 | 126,002,869 |
| <u>Less: Accumulated depreciation</u> | | | | |
| As at 1 January 2025 | 47,478,908 | 3,679,205 | 92,190,154 | 34,519,132 |
| Charge for the financial year | 2,982,330 | 1,605,696 | 15,500,608 | 4,865,202 |
| Disposals | 0 | 0 | (167,140) | 0 |
| Write off | (1,359,286) | 0 | (5,076,339) | (1,943,819) |
| Foreign exchange difference | (3,133) | 0 | (1,312) | 0 |
| As at 31 December 2025 | 49,098,819 | 5,284,901 | 102,445,971 | 37,440,515 |
| Net carrying amount as at 31 December 2025 | 236,119,023 | 31,052,421 | 111,700,754 | 88,562,354 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Group | Motor vehicles RM | Furniture, fittings and equipment RM | Capital Renovation and hostel RM | Bearer plants RM | Capital work-in-progress RM | Total RM |
|--|----------------------|---|-------------------------------------|---------------------|--------------------------------|--------------|
| <u>At cost</u> | | | | | | |
| As at 1 January 2025 | 37,478,774 | 32,970,905 | 2,898,288 | 0 | 14,905,470 | 661,113,021 |
| Additions | 3,497,558 | 1,176,802 | 78,384 | 96,179 | 51,397,157 | 95,243,519 |
| Disposals | (1,192,036) | 0 | 0 | 0 | 0 | (1,364,531) |
| Write off | (166) | (366,238) | 0 | 0 | (8,634) | (10,490,732) |
| Reclassification | 235,380 | 105,906 | 0 | 0 | (60,510,737) | 0 |
| Foreign exchange difference | (89,317) | (33,228) | (22,882) | 0 | 0 | (178,954) |
| As at 31 December 2025 | 39,930,193 | 33,854,147 | 2,953,790 | 96,179 | 5,783,256 | 744,322,323 |
| <u>Less: Accumulated depreciation</u> | | | | | | |
| As at 1 January 2025 | 26,688,505 | 16,038,693 | 1,898,834 | 0 | 0 | 222,493,431 |
| Charge for the financial year | 3,718,802 | 1,454,052 | 187,722 | 0 | 0 | 30,314,412 |
| Disposals | (1,192,037) | 0 | 0 | 0 | 0 | (1,359,177) |
| Write off | (165) | (245,145) | 0 | 0 | 0 | (8,624,754) |
| Foreign exchange difference | (61,704) | (22,282) | (10,737) | 0 | 0 | (99,168) |
| As at 31 December 2025 | 29,153,401 | 17,225,318 | 2,075,819 | 0 | 0 | 242,724,744 |
| <u>Less: Accumulated impairment</u> | | | | | | |
| As at 1 January 2025/31 December 2025 | 0 | 0 | 0 | 0 | 84,900 | 84,900 |
| Net carrying amount as at 31 December 2025 | 10,776,792 | 16,628,829 | 877,971 | 96,179 | 5,698,356 | 501,512,679 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* The freehold land, farm and poultry buildings, factory buildings and shophouse of the Group are analysed as follows:

| | Freehold land, farm and poultry buildings | | | Freehold land and factory buildings | | |
|---|---|------------------------------|-------------|-------------------------------------|-------------------------|-------------|
| | Freehold land RM | Farm poultry buildings RM | Total RM | Freehold land RM | Factory buildings RM | Total RM |
| <u>At cost</u> | | | | | | |
| As at 1 January 2025 | 134,326,261 | 110,826,838 | 245,153,099 | 15,370,185 | 20,967,137 | 36,337,322 |
| Additions | 14,923,651 | 2,950,908 | 17,874,559 | 0 | 0 | 0 |
| Write off | 0 | (2,089,413) | (2,089,413) | 0 | 0 | 0 |
| Reclassification | 0 | 24,308,186 | 24,308,186 | 0 | 0 | 0 |
| Foreign exchange differences | 0 | (28,589) | (28,589) | 0 | 0 | 0 |
| As at 31 December 2025 | 149,249,912 | 135,967,930 | 285,217,842 | 15,370,185 | 20,967,137 | 36,337,322 |
| <u>Less: Accumulated depreciation</u> | | | | | | |
| As at 1 January 2025 | 0 | 47,478,908 | 47,478,908 | 0 | 3,679,205 | 3,679,205 |
| Charge for the financial year | 0 | 2,982,330 | 2,982,330 | 0 | 1,605,696 | 1,605,696 |
| Write off | 0 | (1,359,286) | (1,359,286) | 0 | 0 | 0 |
| Foreign exchange differences | 0 | (3,133) | (3,133) | 0 | 0 | 0 |
| As at 31 December 2025 | 0 | 49,098,819 | 49,098,819 | 0 | 5,284,901 | 5,284,901 |
| Net carrying amount as at 31 December 2025 | 149,249,912 | 86,869,111 | 236,119,023 | 15,370,185 | 15,682,236 | 31,052,421 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Group | Freehold land, farm and poultry buildings RM | Freehold land and factory buildings RM | Plant and machinery and electrical installation RM | Egg layer conveyor and cages system RM | Fish pond and equipment RM |
|---|--|--|--|---|----------------------------------|
| <u>At cost</u> | | | | | |
| As at 1 January 2024 | 194,811,923 | 69,603,937 | 168,232,705 | 101,278,984 | 515,724 |
| Additions | 51,812,171 | 3,550 | 23,385,976 | 3,708,414 | 0 |
| Disposals | 0 | (30,008,701) | (424,700) | 0 | 0 |
| Write off | (4,043,583) | (2,646,489) | (10,079,886) | (5,552,467) | (515,724) |
| Reclassification | 2,572,588 | 0 | 5,308,204 | 5,604,076 | 0 |
| Foreign exchange difference | 0 | (614,975) | (92,143) | 0 | 0 |
| As at 31 December 2024 | 245,153,099 | 36,337,322 | 186,330,156 | 105,039,007 | 0 |
| <u>Less: Accumulated depreciation</u> | | | | | |
| As at 1 January 2024 | 47,432,534 | 13,545,448 | 88,930,273 | 34,085,759 | 317,599 |
| Charge for the financial year | 3,961,637 | 349,261 | 13,308,078 | 5,544,123 | 17,224 |
| Disposals | 0 | (7,523,267) | (424,700) | 0 | 0 |
| Write off | (3,915,263) | (2,638,062) | (9,540,580) | (5,110,750) | (334,823) |
| Foreign exchange difference | 0 | (54,175) | (82,917) | 0 | 0 |
| As at 31 December 2024 | 47,478,908 | 3,679,205 | 92,190,154 | 34,519,132 | 0 |
| Net carrying amount as at 31 December 2024 | 197,674,191 | 32,658,117 | 94,140,002 | 70,519,875 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Group | Motor vehicles RM | Furniture, fittings and equipment RM | Renovation and hostel RM | Capital work-in-progress RM | Total RM |
|---|----------------------|---|-----------------------------|--------------------------------|--------------|
| <u>At cost</u> | | | | | |
| As at 1 January 2024 | 35,597,911 | 31,790,216 | 2,165,002 | 10,152,988 | 614,149,390 |
| Additions | 3,942,809 | 1,493,635 | 872,011 | 18,701,228 | 103,919,794 |
| Disposals | (1,791,653) | (4,602) | 0 | 0 | (32,229,656) |
| Write off | (128,353) | (267,988) | (112,901) | (463,878) | (23,811,269) |
| Reclassification | 0 | 0 | 0 | (13,484,868) | 0 |
| Foreign exchange difference | (141,940) | (40,356) | (25,824) | 0 | (915,238) |
| As at 31 December 2024 | 37,478,774 | 32,970,905 | 2,898,288 | 14,905,470 | 661,113,021 |
| <u>Less: Accumulated depreciation</u> | | | | | |
| As at 1 January 2024 | 25,148,451 | 14,879,841 | 1,861,721 | 0 | 226,201,626 |
| Charge for the financial year | 3,565,804 | 1,434,051 | 132,320 | 0 | 28,312,498 |
| Disposals | (1,790,910) | (153) | 0 | 0 | (9,739,030) |
| Write off | (128,353) | (245,914) | (82,185) | 0 | (21,995,930) |
| Foreign exchange difference | (106,487) | (29,132) | (13,022) | 0 | (285,733) |
| As at 31 December 2024 | 26,688,505 | 16,038,693 | 1,898,834 | 0 | 222,493,431 |
| <u>Less: Accumulated impairment</u> | | | | | |
| As at 1 January 2024/ 31 December 2024 | 0 | 0 | 0 | 84,900 | 84,900 |
| Net carrying amount as at 31 December 2024 | 10,790,269 | 16,932,212 | 999,454 | 14,820,570 | 438,534,690 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* The freehold land, farm and poultry buildings, factory buildings and shophouse of the Group are analysed as follows:

| | Freehold land, farm and poultry buildings | | | Freehold land and factory buildings | | |
|--|---|------------------------------|-------------|-------------------------------------|-------------------------|--------------|
| | Freehold land RM | Farm poultry buildings RM | Total RM | Freehold land RM | Factory buildings RM | Total RM |
| <u>At cost</u> | | | | | | |
| As at 1 January 2024 | 83,613,650 | 111,198,273 | 194,811,923 | 15,370,185 | 54,233,752 | 69,603,937 |
| Additions | 50,712,611 | 1,099,560 | 51,812,171 | 0 | 3,550 | 3,550 |
| Disposals | 0 | 0 | 0 | 0 | (30,008,701) | (30,008,701) |
| Write off | 0 | (4,043,583) | (4,043,583) | 0 | (2,646,489) | (2,646,489) |
| Reclassification | 0 | 2,572,588 | 2,572,588 | 0 | 0 | 0 |
| Foreign exchange differences | 0 | 0 | 0 | 0 | (614,975) | (614,975) |
| As at 31 December 2024 | 134,326,261 | 110,826,838 | 245,153,099 | 15,370,185 | 20,967,137 | 36,337,322 |
| <u>Less: Accumulated depreciation</u> | | | | | | |
| As at 1 January 2024 | 0 | 47,432,534 | 47,432,534 | 0 | 13,545,448 | 13,545,448 |
| Charge for the financial year | 0 | 3,961,637 | 3,961,637 | 0 | 349,261 | 349,261 |
| Disposals | 0 | 0 | 0 | 0 | (7,523,267) | (7,523,267) |
| Write off | 0 | (3,915,263) | (3,915,263) | 0 | (2,638,062) | (2,638,062) |
| Foreign exchange differences | 0 | 0 | 0 | 0 | (54,175) | (54,175) |
| As at 31 December 2024 | 0 | 47,478,908 | 47,478,908 | 0 | 3,679,205 | 3,679,205 |
| Net carrying amount as at 31 December 2024 | 134,326,261 | 63,347,930 | 197,674,191 | 15,370,185 | 17,287,932 | 32,658,117 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| Company | Office equipment RM | Motor vehicles RM | Capital work-in- progress RM | Total RM |
|--|---------------------------|-------------------------|---------------------------------------|-------------|
| <u>At cost</u> | | | | |
| As at 1 January 2025 | 4,348,047 | 2,708,861 | 0 | 7,056,908 |
| Additions | 166,218 | 0 | 495,623 | 661,841 |
| Write off | (15,127) | 0 | 0 | (15,127) |
| As at 31 December 2025 | 4,499,138 | 2,708,861 | 495,623 | 7,703,622 |
| <u>Less: Accumulated depreciation</u> | | | | |
| As at 1 January 2025 | 2,862,090 | 853,984 | 0 | 3,716,074 |
| Charge for the financial year | 391,998 | 538,066 | 0 | 930,064 |
| Write off | (9,690) | 0 | 0 | (9,690) |
| As at 31 December 2025 | 3,244,398 | 1,392,050 | 0 | 4,636,448 |
| Net carrying amount as at 31 December 2025 | 1,254,740 | 1,316,811 | 495,623 | 3,067,174 |
| <u>At cost</u> | | | | |
| As at 1 January 2024 | 4,142,300 | 2,527,901 | 0 | 6,670,201 |
| Additions | 304,775 | 180,960 | 0 | 485,735 |
| Write off | (99,028) | 0 | 0 | (99,028) |
| As at 31 December 2024 | 4,348,047 | 2,708,861 | 0 | 7,056,908 |
| <u>Less: Accumulated depreciation</u> | | | | |
| As at 1 January 2024 | 2,569,895 | 318,258 | 0 | 2,888,153 |
| Charge for the financial year | 381,830 | 535,726 | 0 | 917,556 |
| Write off | (89,635) | 0 | 0 | (89,635) |
| As at 31 December 2024 | 2,862,090 | 853,984 | 0 | 3,716,074 |
| Net carrying amount as at 31 December 2024 | 1,485,957 | 1,854,877 | 0 | 3,340,834 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Purchase of property, plant and equipment are as follows:

| | Group | | Company | |
|--|---------------------|-------------|------------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Cost of property, plant and equipment purchased | 95,243,519 | 103,919,794 | 661,841 | 485,735 |
| Prepaid balance included under non-current receivables (Note 17) | 16,793,109 | 0 | 0 | 0 |
| Unpaid balance included under sundry payables (Note 24(c)) | (10,075,900) | (5,527,451) | (512,780) | (103,701) |
| Cash disbursed in respect of purchases made in previous financial year | 5,527,451 | 1,812,333 | 103,701 | 0 |
| Amount financed through hire purchase | 0 | (214,000) | 0 | 0 |
| Cash disbursed for purchase of property, plant and equipment | 107,488,179 | 99,990,676 | 252,762 | 382,034 |

11 RIGHT-OF-USE (“ROU”) ASSETS

| | Leasehold land RM | Buildings RM | Total RM |
|-------------------------------------|-------------------------|-----------------|-------------|
| Group | | | |
| 2025 | | | |
| At 1 January 2025 | 0 | 1,447,885 | 1,447,885 |
| Additions during the financial year | 0 | 3,815,611 | 3,815,611 |
| Depreciation | 0 | (1,646,992) | (1,646,992) |
| Currency translation difference | 0 | (104,184) | (104,184) |
| At 31 December 2025 | 0 | 3,512,320 | 3,512,320 |
| Cost | 0 | 6,629,014 | 6,629,014 |
| Less: Accumulated depreciation | 0 | (3,116,694) | (3,116,694) |
| Net carrying amount | 0 | 3,512,320 | 3,512,320 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11 RIGHT-OF-USE (“ROU”) ASSETS (CONTINUED)

| | Leasehold land RM | Buildings RM | Total RM |
|-------------------------------------|-------------------------|-----------------|-------------|
| Group | | | |
| 2024 | | | |
| At 1 January 2024 | 2,977,048 | 842,545 | 3,819,593 |
| Additions during the financial year | 0 | 1,682,189 | 1,682,189 |
| Depreciation | (62,967) | (1,024,826) | (1,087,793) |
| Lease modification | (2,854,089) | 0 | (2,854,089) |
| Currency translation difference | (59,992) | (52,023) | (112,015) |
| At 31 December 2024 | 0 | 1,447,885 | 1,447,885 |
| Cost | 12,706 | 3,135,429 | 3,148,135 |
| Less: Accumulated depreciation | (12,706) | (1,687,544) | (1,700,250) |
| Net carrying amount | 0 | 1,447,885 | 1,447,885 |

12 INVESTMENTS IN SUBSIDIARIES

| | Company | |
|--------------------------------|--------------------|-------------|
| | 2025 RM | 2024 RM |
| At beginning of financial year | 170,673,285 | 160,673,285 |
| Additions | 10,000,000 | 10,000,000 |
| At end of financial year | 180,673,285 | 170,673,285 |
| Represented by: | | |
| Unquoted shares, at cost | | |
| - in Malaysia | 179,224,400 | 169,224,400 |
| - outside Malaysia | 1,448,885 | 1,448,885 |
| | 180,673,285 | 170,673,285 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

| Name of subsidiary | Principal place of business/ Country of incorporation | Percentage of issued share capital | | Principal activities |
|--|--|------------------------------------|-----------|--|
| | | 2025 % | 2024 % | |
| Subsidiaries of the Company | | | | |
| Teo Seng Farming Sdn. Bhd. ¹ | Malaysia | 100 | 100 | Investment holding, poultry farming processing, wholesale, retailing and distribution of eggs and related poultry products, manufacturing and marketing of fertilisers. |
| Teo Seng Feedmill Sdn. Bhd. ² | Malaysia | 100 | 100 | Manufacturing and marketing of animal feeds. |
| Success Century Sdn. Bhd. | Malaysia | 100 | 100 | Planting, trading and processing of fruits and related products. The subsidiary has ceased its business operations relating to the management and renting of poultry related properties in 2025. |
| Ritma Prestasi Sdn. Bhd. | Malaysia | 100 | 100 | Distribution of pet food, medicine and other animal health related products. |
| Teo Seng Paper Products Sdn. Bhd. | Malaysia | 100 | 100 | Manufacturing and marketing of egg trays. |
| * Premium Egg Products Pte. Ltd. | Singapore | 100 | 100 | Wholesaler, importers, exporters of eggs products. |
| Subsidiaries of Teo Seng Farming Sdn. Bhd. | | | | |
| Laskar Fertiliser Sdn. Bhd. | Malaysia | 100 | 100 | The subsidiary has ceased its business operations relating to the management and renting of poultry related properties in 2025. |
| Teo Seng Integrated Farming Sdn. Bhd. ³ | Malaysia | 100 | 100 | Poultry farming, manufacturing and marketing of animal feeds, fertiliser and related poultry products – yet to commence operations. |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

| Name of subsidiary | Principal place of business/ Country of incorporation | Percentage of issued share capital | | Principal activities |
|--------------------|--|------------------------------------|-----------|----------------------|
| | | 2025 % | 2024 % | |

Subsidiary of Premium Egg Products Pte. Ltd.

| | | | | |
|---------------------------|-----------|-----|-----|---|
| * BH Fresh Food Pte. Ltd. | Singapore | 100 | 100 | To carry on business of provide cold room services and other investment holding including renting of factory space to derive rental income. |
|---------------------------|-----------|-----|-----|---|

Subsidiaries of Ritma Prestasi Sdn. Bhd.

| | | | | |
|---|-----------|-----|-----|--|
| B-Tech Aquaculture Sdn. Bhd. ³ | Malaysia | 100 | 100 | Dormant |
| * Ritma Premier Pte. Ltd. | Singapore | 100 | 100 | Distribution of pet food, medicine and other animal health related products. |
| Professional Vet Enterprise Sdn. Bhd. | Malaysia | 100 | 100 | Distribution of pet food, medicine and other animal health related products. |
| Trendata Science Sdn. Bhd. | Malaysia | 65 | 65 | Provision of services, sales, research and development of poultry farming related intelligent machinery, equipment and robots. |

* Not audited by PricewaterhouseCoopers PLT, Malaysia or its affiliates.

¹ During the financial year ended 31 December 2025, the Company invested additional RM10,000,000 in Teo Seng Farming Sdn. Bhd.

² On 11 November 2024, the Company invested additional RM10,000,000 in Teo Seng Feedmill Sdn. Bhd..

³ Teo Seng Integrated Farming Sdn. Bhd. and B-Tech Aquaculture Sdn. Bhd. were placed under member's voluntary liquidation on 30 September 2025.

(a) Detail of the Group's purchase consideration, net assets acquired, and goodwill are as follows:

| | 2025 RM | 2024 RM |
|-----------|------------|------------|
| Cash paid | 0 | 6,500 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (a) Detail of the Group's purchase consideration, net assets acquired, and goodwill are as follows: (continued)

The assets and liabilities recognised as a result of the acquisition by the Group are as follows:

| | Fair Value | |
|---|------------|------------|
| | 2025 RM | 2024 RM |
| Cash and bank balances/Net identifiable assets acquired | 0 | 10,000 |
| Less: Non-controlling interests | 0 | (3,500) |
| Net assets acquired | 0 | 6,500 |

- (b) Purchase consideration – cash outflow is as follows:

| | 2025 RM | 2024 RM |
|--|------------|------------|
| Cash outflow, net of cash acquired | | |
| Cash consideration | 0 | (6,500) |
| Less: Balance acquired | | |
| Cash and bank balances | 0 | 10,000 |
| Net cash acquired - investing activities | 0 | 3,500 |

13 EQUITY INSTRUMENTS CLASSIFIED AS FVOCI

| | Group | |
|----------------------------------|-------------|------------|
| | 2025 RM | 2024 RM |
| Quoted shares in Malaysia | 7,355 | 7,930 |
| Unquoted shares outside Malaysia | | |
| At fair value | 4,438,530 | 4,438,530 |
| Less: Fair value changes | (4,410,585) | 0 |
| Foreign exchange difference | (27,945) | 0 |
| | 0 | 4,438,530 |
| | 7,355 | 4,446,460 |

The Group has irrevocably elected non-trading equity securities above at initial recognition to present its fair value changes in OCI. The Group considers this equity instruments classification to be more relevant as these instruments are strategic investments of the Group and not held for trading purposes.

Refer to Note 29(e)(i) for disclosure of fair values information on the quoted shares and unquoted shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14 DEFERRED TAX ASSETS/(LIABILITIES)

| | Group | | Company | |
|---|---------------------|--------------|------------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Deferred tax assets | | | | |
| - subject to income tax | 168,005 | 268,837 | 0 | 0 |
| Deferred tax liabilities | | | | |
| - subject to income tax | (35,915,203) | (32,729,716) | (214,000) | (206,000) |
| - subject to real property gains tax | (2,385,000) | (2,385,000) | 0 | 0 |
| | (38,300,203) | (35,114,716) | (214,000) | (206,000) |
| | (38,132,198) | (34,845,879) | (214,000) | (206,000) |
| The movements during the financial year are as follows: | | | | |
| At beginning of the financial year | (34,845,879) | (28,747,279) | (206,000) | 149,000 |
| Charged/(Credited) to profit or loss (Note 9) | | | | |
| - property, plant and equipment | 2,207,863 | 7,261,188 | (8,000) | (355,000) |
| - biological assets | (5,973,000) | (13,467,000) | 0 | 0 |
| - inventory | (15,558) | 22,568 | 0 | 0 |
| - receivables | (118,840) | 0 | 0 | 0 |
| - payables | 613,330 | 187,292 | 0 | 0 |
| - unutilised tax losses | 0 | (202,000) | 0 | 0 |
| | (3,286,205) | (6,197,952) | (8,000) | (355,000) |
| - foreign exchange differences | (114) | 99,352 | 0 | 0 |
| At end of the financial year | (38,132,198) | (34,845,879) | (214,000) | (206,000) |
| <u>Subject to income tax</u> | | | | |
| Deferred tax assets (before offsetting) | | | | |
| - property, plant and equipment | 2,428 | 186,892 | 0 | 0 |
| - receivables | 272,144 | 0 | 0 | 0 |
| - payables | 850,729 | 630,560 | 0 | 0 |
| - inventory | 13,000 | 28,558 | 0 | 0 |
| - unutilised tax losses | 3,941,000 | 3,941,000 | 0 | 0 |
| | 5,079,301 | 4,787,010 | 0 | 0 |
| Offsetting | (4,911,296) | (4,518,173) | 0 | 0 |
| Deferred tax assets (after offsetting) | 168,005 | 268,837 | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

| | Group | | Company | |
|--|---------------------|--------------|------------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Deferred tax liabilities (before offsetting) | | | | |
| - property, plant and equipment | (20,712,499) | (23,106,889) | (214,000) | (206,000) |
| - biological assets | (20,114,000) | (14,141,000) | 0 | 0 |
| | (40,826,499) | (37,247,889) | (214,000) | (206,000) |
| Offsetting | 4,911,296 | 4,518,173 | 0 | 0 |
| Deferred tax liabilities (after offsetting) | (35,915,203) | (32,729,716) | (214,000) | (206,000) |
| <u>Subject to real property gains tax</u> | | | | |
| Deferred tax liabilities | | | | |
| - property, plant and equipment | (2,385,000) | (2,385,000) | 0 | 0 |

The Group has elected to measure freehold land at fair value as deemed cost as at date of transition upon first time adoption of MFRS. The related revaluation reserve net of deferred tax impact was reclassified to retained earnings.

Deferred tax assets not recognised

The amount of unutilised tax losses and unused tax credits for which no deferred tax asset is recognised in the statement of financial position is as follows:

| | Group | |
|--|-------------------|------------|
| | 2025 RM | 2024 RM |
| Unabsorbed capital allowances | 3,881,000 | 3,879,000 |
| Unutilised allowance for increased exports | 64,157 | 64,157 |
| Unutilised green investment tax allowance | 8,085,164 | 8,085,164 |
| Unutilised pioneer loss | 1,679,000 | 1,679,000 |
| Unutilised reinvestment allowance | 1,110,589 | 5,599,440 |
| Unutilised tax losses | 0 | 374,000 |
| | 14,819,910 | 19,680,761 |

No deferred tax asset is recognised in respect of these items as it is not probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)Deferred tax assets not recognised (continued)

The unutilised tax losses and unutilised reinvestment allowance can be carried forward for 10 and 7 consecutive years of assessment ("YAs") respectively. The unutilised tax losses and tax credits will expire within the following periods:

| | Group | |
|-------------------------------------|------------|------------|
| | 2025 RM | 2024 RM |
| Unutilised pioneer losses: | | |
| <u>Year</u> | | |
| 2032 | 1,679,000 | 1,679,000 |
| Unutilised reinvestment allowances: | | |
| <u>Year</u> | | |
| 2025 | 1,110,589 | 5,599,440 |
| Unutilised tax losses: | | |
| <u>Year</u> | | |
| 2028 | 0 | 374,000 |

There was no expiry date for unutilised green investment tax allowance.

15 BIOLOGICAL ASSETS

| | Group | |
|--|-------------|-------------|
| | 2025 RM | 2024 RM |
| <u>At fair value less cost to sell</u> | | |
| Pullets and layers | 151,804,326 | 131,853,810 |

The movement of biological assets can be analysed as follows:

| | Group | |
|---------------------------|--------------|--------------|
| | 2025 RM | 2024 RM |
| At 1 January | 131,853,810 | 74,224,141 |
| Increase due to purchases | 14,304,429 | 18,249,150 |
| Livestock losses | (7,214,056) | (5,201,522) |
| Change in fair value | 73,915,057 | 86,680,827 |
| Depopulation | (61,054,914) | (42,098,786) |
| At 31 December | 151,804,326 | 131,853,810 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15 BIOLOGICAL ASSETS (CONTINUED)

The biological assets comprise pullets and layers. During the financial year, the Group sold approximately 1.67 billion (2024: 1.56 billion) of table eggs. The number of pullets and layers as at 31 December 2025 included in the fair valuation of biological assets was 6.7 million (2024: 6.4 million).

The increase in fair valuation of biological assets during the financial year is due to higher quantities of layer within the higher fair value age group and higher fair value per layer by age as compared to previous financial year.

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

In measuring the fair value of biological assets, management estimates and judgements are required which include the expected number of table eggs produced by each layer, the expected selling price of the table eggs, expected salvage value of layers, mortality rate, feed consumption rate, feed costs and other variable costs to be incurred over the life span of the layers, as well as the discount rate used for the cash flow. Changes to any of these assumptions would affect the fair value of the biological assets.

The Group performs the valuation of the biological assets required for financial reporting purposes. Discussions of valuation processes and results are performed by the Group once every quarter.

The Group has classified its 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 flow: - The valuation method considers the expected cash inflow from the number of table eggs produced, expected selling price of table eggs, less expected costs incurred over the life span of the layers, and imputed contributory assets charges for the assets essential to the production of table eggs. | Significant assumptions made in determining the fair value of the table eggs as follows: <ul style="list-style-type: none"> The projected selling prices of table eggs are based on management's estimate by reference to historical selling price adjusted for abnormal market movements. Management's estimate of feed and other variable costs expected to incur throughout the laying period. Number of table eggs referenced to historical eggs produced. | The higher the projected selling prices, the higher the fair value of biological assets. The higher the feed costs, the lower the fair value of biological assets. The higher the number of table eggs produced, the higher the fair value of biological assets. |

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

| | Group | |
|---|--------|--------|
| | 2025 | 2024 |
| Number of table eggs produced by each layer | 468 | 424 |
| Projected selling prices of the table eggs (RM per egg) | 0.448 | 0.470 |
| Feed costs (RM per MT) | 1.6002 | 1.7379 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15 BIOLOGICAL ASSETS (CONTINUED)Sensitivity analysis

If the estimated projected selling prices of the table eggs had been 3% lower, the fair value of the biological assets would have decreased by RM11,321,568.

If the estimated feed costs had been 3% higher, the fair value of the biological assets would have decreased by RM6,199,482.

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

16 INVENTORIES

| | Group | |
|---|--------------------|------------|
| | 2025 RM | 2024 RM |
| Raw materials | 13,984,875 | 23,880,851 |
| Trading merchandise | 31,665,822 | 38,169,637 |
| Poultry feeds | 2,076,258 | 1,791,637 |
| Medication | 1,079,550 | 1,255,524 |
| Consumables | 3,753,124 | 2,286,323 |
| Eggs | 5,843,311 | 4,304,931 |
| Egg trays | 1,268,856 | 2,216,821 |
| Fertiliser | 147,563 | 92,416 |
| Fertiliser work-in-progress | 1,737,800 | 1,369,234 |
| Frozen layer hens | 297,026 | 97,635 |
| Seeding | 12,500 | 0 |
| AI equipment | 863,323 | 467,315 |
| | 62,730,008 | 75,932,324 |
| Less: allowance for slow moving inventories | (1,572,607) | (583,978) |
| | 61,157,401 | 75,348,346 |

Inventories recognised as an expense during the financial year ended 31 December 2025 amounted to RM480,616,779 (2024: RM507,916,406).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS

| | Group | | Company | |
|--|-------------------|-------------|----------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| NON-CURRENT | | | | |
| Non-financial assets: | | | | |
| Prepayments for property, plant and equipment | 16,793,109 | 0 | 0 | 0 |
| CURRENT | | | | |
| Financial assets: | | | | |
| <u>Trade receivables</u> | | | | |
| Amounts due from related companies | 3,038,198 | 3,899,100 | 0 | 0 |
| Amounts due from related parties | 238,218 | 164,109 | 0 | 0 |
| Trade receivables - external | 49,824,892 | 45,440,672 | 0 | 0 |
| | 53,101,308 | 49,503,881 | 0 | 0 |
| Less: Loss allowance for trade receivables | (452,705) | (1,367,637) | 0 | 0 |
| | 52,648,603 | 48,136,244 | 0 | 0 |
| <u>Other receivables</u> | | | | |
| Amounts due from subsidiaries | 0 | 0 | 0 | 402,473 |
| Sundry receivables | 198,653 | 284,793 | 2,000 | 0 |
| Deposits | 1,702,656 | 9,052,482 | 7,632 | 7,632 |
| | 1,901,309 | 9,337,275 | 9,632 | 410,105 |
| Total financial assets | 54,549,912 | 57,473,519 | 9,632 | 410,105 |
| Non-financial assets: | | | | |
| Contract assets | 3,986 | 340,040 | 0 | 0 |
| Goods and services tax recoverable | 0 | 63,134 | 0 | 0 |
| Prepayments | 2,777,161 | 5,344,307 | 476,437 | 495,668 |
| | 2,781,147 | 5,747,481 | 476,437 | 495,668 |
| | 57,331,059 | 63,221,000 | 486,069 | 905,773 |
| Total trade and other receivables, and prepayments | 74,124,168 | 63,221,000 | 486,069 | 905,773 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17 TRADE AND OTHER RECEIVABLES, AND PREPAYMENTS (CONTINUED)

The movement of loss allowance for trade receivable is as follows:

| | Group | |
|--|--------------------|-------------|
| | 2025 RM | 2024 RM |
| At 1 January | (1,367,637) | (1,139,013) |
| Allowance for/(Reversal of) loss allowance on trade receivables recognised in profit or loss during the financial year | 680,114 | (254,961) |
| Write off during the financial year | 221,859 | 0 |
| Foreign exchange differences | 12,959 | 26,337 |
| At 31 December | (452,705) | (1,367,637) |

- (a) The changes in gross carrying amount of the trade receivables that contributed to the changes in loss allowance above were as follows:
- (i) decrease in revenue contracts from customer which has increased the gross carrying amount by 7.2%, resulting in decrease in loss allowance of RM148,780;
 - (ii) decrease in receivables balance which aged more than 180 days past due resulted in the decrease in loss allowance of RM753,193
- (b) The Group and the Company's normal credit terms range from cash term to 150 days (2024: cash term to 150 days).
- (c) The non-trade amounts due from subsidiaries are unsecured, interest free and repayable on demand and to be settled in cash.
- (d) In the previous reporting period, included in deposits and prepayments of the Group are the prepayments for property, plant and equipment amounting to RM8,314,117 and RM2,650,155 respectively.

18 CASH AND BANK BALANCES/CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|--|---------------------|-------------|------------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Cash at hand | 58,992 | 72,729 | 98 | 98 |
| Cash at bank | 167,935,306 | 102,112,281 | 9,315,999 | 3,653,401 |
| Fixed deposits with licensed bank | 15,488,276 | 24,658,500 | 0 | 0 |
| Total cash and bank balances | 183,482,574 | 126,843,510 | 9,316,097 | 3,653,499 |
| Less: Fixed deposits of more than three months maturity with licensed bank | (15,488,276) | 0 | 0 | 0 |
| Cash and cash equivalents | 167,994,298 | 126,843,510 | 9,316,097 | 3,653,499 |

Cash at bank balances are demand deposits held at call with the banks and earned minimal interest.

Fixed deposits of the Group are placed with a licensed bank, bearing interest rate at 3.95% (2024: 2.83%) per annum and tenure of 6 months (2024: 1 month to 3 months).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19 SHARE CAPITAL

| | Group and Company | | | |
|---|---------------------|------------|---------------------|------------|
| | 2025 | | 2024 | |
| | Number of shares | RM | Number of shares | RM |
| <u>Ordinary shares issued and fully paid, at no par value</u> | | | | |
| At 1 January | 600,016,350 | 60,011,036 | 300,008,175 | 60,011,036 |
| Bonus issue | 0 | 0 | 300,008,175 | 0 |
| At 31 December | 600,016,350 | 60,011,036 | 600,016,350 | 60,011,036 |

- (a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company.
- (b) The Company had via its Extraordinary General Meeting held on 27 November 2024, obtained shareholders' approval for Bonus issue on the basis of one (1) bonus share for everyone (1) existing ordinary share held in the Company ("Bonus Issue"). Subsequently, the bonus issue was completed on 13 December 2024 following the issuance and allotment of 300,008,175 new ordinary shares in the Company. The number of ordinary shares of the Company has increased from 300,008,175 to 600,016,350.

20 TREASURY SHARES

On 28 May 2025, at the Annual General Meeting, the shareholders of the Company renewed their approval for the Company to buy back its own shares on up to ten percent (10%) of the issued and paid-up capital of the Company.

During the financial year, the Company repurchased a total of 8,168,200 ordinary shares (2024: 1,729,300 ordinary shares) of its issued share capital from the open market for RM8,494,587 (2024: RM3,005,423). The repurchase transactions were financed by internally generated funds. The average price paid for these shares repurchased was RM1.04 per share (2024: RM1.74 per share).

As at 31 December 2025, the Company held as treasury shares a total of 15,515,174 (2024: 7,346,974) out of its 600,016,350 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM14,643,297 (2024: RM6,148,710).

In the previous financial year, the Company distributed a total number of 4,301,313 treasury shares to its shareholder as share dividend on the basis of one (1) treasury share for every sixty-seven (67) existing ordinary shares held. As part of the bonus issue detailed in Note 19(b), the Company was allotted 3,246,587 new treasury shares.

| | Group and Company | |
|---|---------------------|-------------|
| | Number of shares | RM |
| Opening balance 1 January 2024 | 6,672,400 | 8,845,107 |
| Shares bought back on-market prior to bonus issue | 875,500 | 2,062,534 |
| Shares dividend | (4,301,313) | (5,701,820) |
| | 3,246,587 | 5,205,821 |
| Bonus issue | 3,246,587 | 0 |
| Shares bought back on-market after bonus issue | 853,800 | 942,889 |
| Balance 31 December 2024 | 7,346,974 | 6,148,710 |
| Shares bought back on-market | 8,168,200 | 8,494,587 |
| Balance 31 December 2025 | 15,515,174 | 14,643,297 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21 OTHER RESERVES

| | Group | | Company | |
|------------------------------|---------------------|--------------|----------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| <u>Non-distributable</u> | | | | |
| Fair value reserve | | | | |
| - FVOCI | 5,144 | 5,719 | 0 | 0 |
| Capital contribution reserve | 1,060,895 | 833,847 | 214,652 | 155,418 |
| Currency translation reserve | 1,053,717 | 2,131,551 | 0 | 0 |
| Reverse acquisition reserve | (26,078,000) | (26,078,000) | 0 | 0 |
| | (23,958,244) | (23,106,883) | 214,652 | 155,418 |

(a) Fair value reserve

The fair value reserve represents the cumulative fair value changes of equity instruments classified as FVOCI.

(b) Capital contribution reserve

The capital contribution reserve comprises the cumulative share-based compensation expenses related to the employees' share option scheme of the penultimate holding company.

(c) Currency translation reserve

The currency translation reserve arose from the translation of the financial statements of subsidiaries whose functional currency differs from the Group's presentation currency.

(d) Reverse acquisition reserve

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22 BANK BORROWINGS

| | Group | |
|----------------------|--------------------|-------------------|
| | 2025 RM | 2024 RM |
| CURRENT | | |
| <u>Unsecured</u> | | |
| Bankers' acceptances | 72,437,000 | 59,451,000 |
| Revolving credit | 7,000,000 | 0 |
| Term loans | 8,093,582 | 7,953,588 |
| | 87,530,582 | 67,404,588 |
| NON-CURRENT | | |
| <u>Unsecured</u> | | |
| Term loans | 43,783,691 | 30,383,117 |
| TOTAL | | |
| <u>Unsecured</u> | | |
| Bankers' acceptances | 72,437,000 | 59,451,000 |
| Revolving credit | 7,000,000 | 0 |
| Term loans | 51,877,273 | 38,336,705 |
| | 131,314,273 | 97,787,705 |

- (a) The unsecured bank borrowings of the Group are covered by a corporate guarantee by the Company and a negative pledge on subsidiaries' assets.
- (b) The term loans are repayable over 35 to 96 (2024: 60 to 96) monthly instalments, commencing from March 2022 through to January 2033 (2024: August 2021 through to July 2031).
- (c) The weighted average effective interest rates at the end of the reporting year for bank borrowings were as follows:

| | 2025 % per annum | 2024 % per annum |
|----------------------|---------------------|---------------------|
| Bankers' acceptances | 3.6 | 4.2 |
| Term loans | 5.1 | 5.4 |
| Revolving credit | 4.3 | NIL |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22 BANK BORROWINGS (CONTINUED)

(d) Loan covenants

Under the terms of the major bank loan, which has a carrying amount of RM51,877,273 (2024: RM38,336,705), the group is required to comply with the following financial covenants at the end of the reporting period:

- certain level of gearing ratios; and
- the corporate guarantee by the holding company
- remain subsidiary of Teo Seng Capital Berhad

The group has complied with these covenants throughout the reporting period. As at 31 December 2025, the gearing ratio of the Group was 0.18 times (2024: 0.16).

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

23 LEASE LIABILITIES

| | Group | |
|---|------------------|------------|
| | 2025 RM | 2024 RM |
| Amount due for settlement within 12 months - current | 1,535,887 | 887,885 |
| Amount due for settlement after 12 months - non-current | 2,130,424 | 577,941 |
| At 31 December | 3,666,311 | 1,465,826 |
| <u>Maturity analysis</u> | | |
| Not more than 1 year | 1,660,180 | 930,211 |
| Later than 1 year and not later than 2 years | 903,415 | 579,789 |
| Later than 2 years and not later than 5 years | 1,351,413 | 0 |
| At 31 December | 3,915,008 | 1,510,000 |

Total cash outflow for leases are as follows:

| | Group | |
|--|------------------|------------|
| | 2025 RM | 2024 RM |
| Lease payment within financing activities | 1,696,380 | 1,174,753 |
| Cash flows relating to short-term leases included in administrative expenses | 526,765 | 657,656 |
| Cash flows relating to low-value assets included in administrative expenses | 267,182 | 247,947 |
| Total cash outflow for leases | 2,490,327 | 2,080,356 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24 TRADE AND OTHER PAYABLES

| | Group | | Company | |
|--|-------------------|------------|------------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Financial liabilities: | | | | |
| <u>Trade payables</u> | | | | |
| Amounts due to related companies | 3,709,378 | 3,983,367 | 0 | 0 |
| Amounts due to related parties | 1,213,387 | 939,744 | 0 | 0 |
| Trade payables - external | 32,281,448 | 43,566,077 | 0 | 0 |
| | 37,204,213 | 48,489,188 | 0 | 0 |
| <u>Other payables</u> | | | | |
| Amounts due to related companies (non-trade) | 3,379 | 36,782 | 2,203 | 36,110 |
| Accruals | 5,086,716 | 5,197,961 | 113,852 | 79,395 |
| Deposit payables | 700,000 | 50,000 | 0 | 0 |
| Sundry payables | 17,791,747 | 12,204,774 | 747,324 | 596,521 |
| Derivative financial liabilities | 25,854 | 0 | 0 | 0 |
| | 23,607,696 | 17,489,517 | 863,379 | 712,026 |
| Total financial liabilities | 60,811,909 | 65,978,705 | 863,379 | 712,026 |
| Non-financial liabilities: | | | | |
| <u>Employee benefit obligations</u> | | | | |
| Short-term employee benefits | 14,966,880 | 22,061,315 | 890,844 | 1,530,464 |
| Defined contributions plan | 2,485,500 | 2,877,633 | 307,301 | 522,094 |
| <u>Others</u> | | | | |
| Contract liabilities | 10,200 | 86,000 | 0 | 0 |
| Sales and services tax payables | 264,812 | 274,719 | 0 | 0 |
| Total non-financial liabilities | 17,727,392 | 25,299,667 | 1,198,145 | 2,052,558 |
| Total trade and other payables | 78,539,301 | 91,278,372 | 2,061,524 | 2,764,584 |

- (a) The normal trade terms granted to the Group range from cash term to 90 days (2024: cash term to 90 days).
- (b) The non-trade amounts due to related companies are unsecured, interest free, repayable on demand and to be settled in cash.
- (c) Included in sundry payables of the Group and Company is an amount of RM10,075,900 (2024: RM5,527,451) and RM512,780 (2024: RM103,701) respectively payable for the purchase of property, plant and equipment (Note 10(a)).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24 TRADE AND OTHER PAYABLES (CONTINUED)

- (d) Derivative financial liabilities relate to the forward foreign currency contracts entered into by the Group to manage their exposure to foreign currency exchange risks related to transactions denominated in USD, CNY and EUR. The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss. None of the derivatives are designated as hedges as the Company did not apply hedge accounting during the financial year.

The contractual maturity of the derivative financial liabilities ranges from 15 to 144 days (2024: NIL).

25 EARNINGS PER SHARE

- (a) Basic earnings per ordinary share

Basic earnings per ordinary share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company for the financial year by the average numbers of ordinary shares issued during the financial year.

| | Group | |
|--|--------------------|-------------|
| | 2025 | 2024 |
| Profit attributable to ordinary equity holders of the Company (RM) | 142,101,387 | 183,364,421 |
| Weighted average number of ordinary shares in issue (units) | 589,839,576 | 592,086,411 |
| Basic earnings per ordinary share (sen) | 24.09 | 30.97 |

- (b) Diluted earnings per share

Diluted earnings per share of the Group is the same as the basic earnings per share as there were no potential diluted ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26 DIVIDENDS PAID

| | Group and Company | |
|---|-------------------|-------------------|
| | 2025 RM | 2024 RM |
| <u>In respect of the financial year ended 31 December 2023:</u> | | |
| Third interim single-tier dividend of 3.0 sen per ordinary share on 293,335,775 ordinary shares | 0 | 8,800,073 |
| Fourth interim single-tier dividend of treasury shares distribution of 2.8 sen on 5,103,623 ordinary shares | 0 | 141,672 |
| <u>In respect of the financial year ended 31 December 2024:</u> | | |
| First interim single-tier dividend of 2.5 sen per ordinary share on 297,637,088 ordinary shares | 0 | 7,440,923 |
| Second interim single-tier dividend of 3.0 sen per ordinary share on 297,637,088 ordinary shares | 0 | 8,929,113 |
| Third interim single-tier dividend of 4.0 sen per ordinary share on 297,392,288 ordinary shares | 0 | 11,895,692 |
| Fourth interim single-tier dividend of 2.0 sen per ordinary share on 591,538,776 ordinary shares | 11,830,776 | 0 |
| <u>In respect of the financial year ended 31 December 2025:</u> | | |
| First interim single-tier dividend of 1.5 sen per ordinary share on 590,800,376 ordinary shares | 8,862,006 | 0 |
| Second interim single-tier dividend of 1.5 sen per ordinary share on 590,800,376 ordinary shares | 8,862,005 | 0 |
| | 29,554,787 | 37,207,473 |

The Directors do not recommend the payment of final single-tier dividend for the financial year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Significant related party relationship

The related parties and its relationship with the Group and Company are as follows:

| <u>Name of the Company</u> | <u>Relationship</u> |
|--|-----------------------------|
| Emerging Glory Sdn. Bhd. ("EGSB") | Ultimate holding company |
| Leong Hup International Berhad ("LHI") | Penultimate holding company |
| Advantage Valuations Sdn. Bhd. | Immediate holding company |
| Teo Seng Farming Sdn. Bhd. | Subsidiary |
| Teo Seng Feedmill Sdn. Bhd. | Subsidiary |
| Teo Seng Paper Products Sdn. Bhd. | Subsidiary |
| Ritma Prestasi Sdn. Bhd. | Subsidiary |
| Success Century Sdn. Bhd. | Subsidiary |
| Premium Egg Products Pte Ltd | Subsidiary |
| B-Tech Aquaculture Sdn. Bhd. ¹ | Related company |
| BH Fresh Food Pte Ltd ¹ | Related company |
| FE Venture Sdn. Bhd. ¹ | Related company |
| Heng Kai Hock Farm Sdn. Bhd. ¹ | Related company |
| Laskar Fertiliser Sdn. Bhd. ¹ | Related company |
| Leong Hup (Malaysia) Sdn. Bhd. ¹ | Related company |
| Leong Hup Agrobusiness Sdn. Bhd. ¹ | Related company |
| Leong Hup Corporate Services Sdn. Bhd. ¹ | Related company |
| Leong Hup Feedmill Malaysia Sdn. Bhd. ¹ | Related company |
| Professional Vet Enterprise Sdn. Bhd. ¹ | Related company |
| Teo Seng Integrated Farming Sdn. Bhd. ¹ | Related company |
| Trendata Science Sdn. Bhd. ¹ | Related company |
| Prestige Fortune Sdn. Bhd. ¹ | Related company |
| Prima Anjung Sdn. Bhd. ¹ | Related company |
| Astaka Shopping Centre (Muar) Sdn. Bhd. ³ | Related party |
| Blue Home Marketing Sdn. Bhd. ² | Related party |
| Go Delifood Sdn. Bhd. ² | Related party |
| Teratai Agriculture Sdn. Bhd. ³ | Related party |

¹ The related companies are the indirect subsidiaries of the EGSB.

² The Company is controlled by Nam family refers to family members who has significant financial interest in the Company listed on Main Market of Bursa Malaysia Securities Berhad. The following Nam family member is Director of the Company: Nam Hiok Joo.

³ The Companies where Lau Family are Directors or shareholders. Lau family refers to anyone or jointly of the following individuals who are the Directors of the related parties or/and have substantial shareholding interest in, Lau Joo Han, Lau Chia Nguang, Datuk Lau Chir Nguan, Dato' Lau Eng Guang, Lau Hai Nguan and Tan Sri Lau Tuang Nguang collectively. Lau Joo Han and Tan Sri Lau Tuang Nguang are Directors of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions and balances

Other than disclosed elsewhere in the financial statements, the significant related party transactions between the Group and the Company and its related parties during the financial year are as follows:

| | Group | |
|---|---------------------|--------------|
| | 2025 RM | 2024 RM |
| <u>With related companies</u> | | |
| - sale of goods | (17,393,182) | (19,106,140) |
| - purchase of goods | 21,963,137 | 23,997,127 |
| <u>With companies controlled by the Lau family</u> | | |
| - sale of goods | (1,368,792) | (1,979,860) |
| <u>With company controlled by the Nam family</u> | | |
| - transport charges | 10,311,619 | 11,108,940 |
| | | |
| | Company | |
| | 2025 RM | 2024 RM |
| <u>With subsidiaries</u> | | |
| - dividend income | (55,837,500) | (37,000,000) |
| - investment holding and provision of management services | (2,816,468) | (2,988,026) |

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Key management personnel compensation

The key management personnel of the Group and of the Company include Executive Directors, Non-Executive Directors and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:

| | Group | | Company | |
|--|-------------------|------------|------------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Remuneration of Executive Directors of the Company (Note 6) | 7,388,674 | 5,203,458 | 1,044,215 | 1,635,523 |
| Remuneration of Executive Directors of the subsidiaries (Note 6) | 4,905,583 | 5,446,074 | 0 | 0 |
| | 12,294,257 | 10,649,532 | 1,044,215 | 1,635,523 |
| Remuneration of Non-Executive Directors of the Company (Note 6) | 210,500 | 202,500 | 210,500 | 202,500 |
| Remuneration of Non-Executive Directors of the subsidiaries (Note 6) | 745,555 | 734,658 | 0 | 0 |
| | 956,055 | 937,158 | 210,500 | 202,500 |
| <u>Other key management personnel</u> | | | | |
| Short-term employee benefits | 2,844,913 | 4,044,947 | 1,306,448 | 1,478,636 |
| Defined contribution plan | 481,742 | 657,571 | 215,979 | 248,791 |
| Share-based payment | 35,764 | 57,668 | 28,451 | 37,712 |
| Benefits-in-kind | 59,000 | 35,050 | 23,950 | 23,950 |
| | 3,421,419 | 4,795,236 | 1,574,828 | 1,789,089 |
| | 16,671,731 | 16,381,926 | 2,829,543 | 3,627,112 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 OPERATING SEGMENTS

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

The Group is organised into the following three main operating segments:

- Poultry – production and distribution of eggs and related poultry products, animal feeds, paper egg trays, and fertiliser by-product.
- Trading – distribution of pet food, medicine, and other animal health related products
- Others – investment holding and provision of management services.

- (a) The Operating Committee assesses the performance of the operating segments based on their profit before interest expense and tax. The accounting policies of the operating segments are the same as the Group's accounting policies.

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

- (b) Each operating segment assets are measured based on all assets of the segment other than tax-related assets, equity instrument classified as FVOCI and fixed deposits with licensed banks.
- (c) Each operating segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

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

The intersegment elimination for the segment profit before interest and tax comprised mainly intersegment dividend and unrealised profit on unsold inventories purchased from intersegment. The intersegment elimination for the segment assets comprised mainly intersegment balances and unrealised profit on unsold inventories purchased from intersegment while for the segment liabilities, it comprised mainly intersegment balances.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 OPERATING SEGMENTS (CONTINUED)

Business segments

| | Poultry RM | Trading RM | Others RM | Intersegment elimination RM | Group RM |
|---|---------------|---------------|--------------|-----------------------------------|--------------|
| 2025 | | | | | |
| REVENUE | | | | | |
| - external revenue | 621,170,826 | 114,705,916 | 0 | 0 | 735,876,742 |
| - inter-segment revenue | 0 | 21,087,852 | 58,653,968 | (79,741,820) | 0 |
| CONSOLIDATED REVENUE | 621,170,826 | 135,793,768 | 58,653,968 | (79,741,820) | 735,876,742 |
| RESULTS | | | | | |
| Segment profit before Interest and tax | 133,897,308 | 22,357,771 | 53,437,387 | (53,464,949) | 156,227,517 |
| Finance income | | | | | 4,671,497 |
| Finance cost | | | | | (4,395,433) |
| CONSOLIDATED PROFIT BEFORE TAX | | | | | 156,503,581 |
| Tax | | | | | (14,429,277) |
| CONSOLIDATED PROFIT AFTER TAX | | | | | 142,074,304 |
| ASSETS | | | | | |
| Segment assets | 860,579,235 | 91,669,362 | 12,981,220 | (5,100,125) | 960,129,692 |
| Unallocated assets: | | | | | |
| Deferred tax assets | | | | | 168,005 |
| Financial assets | | | | | 15,495,631 |
| Tax recoverable | | | | | 523,859 |
| CONSOLIDATED TOTAL ASSETS | | | | | 976,317,187 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

| | Poultry RM | Trading RM | Others RM | Intersegment elimination RM | Group RM |
|--|--------------------|-------------------|------------------|-----------------------------------|--------------------|
| 2025 | | | | | |
| LIABILITIES | 70,346,903 | 14,021,542 | 2,061,524 | (4,224,357) | 82,205,612 |
| Segment liabilities | | | | | |
| Unallocated liabilities: | | | | | |
| Bank borrowings | | | | | 131,314,273 |
| Tax payable and deferred tax liabilities | | | | | 41,191,201 |
| CONSOLIDATED TOTAL LIABILITIES | | | | | 254,711,086 |
| OTHER SEGMENT ITEMS | | | | | |
| Capital expenditure | 93,705,201 | 876,477 | 661,841 | 0 | 95,243,519 |
| Depreciation of property, plant and equipment | 28,361,890 | 1,034,592 | 930,064 | (12,134) | 30,314,412 |
| Depreciation of right-of-use assets | 722,509 | 924,483 | 0 | 0 | 1,646,992 |
| Non-cash item (other than depreciation) | | | | | |
| - reversal of impairment loss on trade receivables | (400,496) | (279,618) | 0 | 0 | (680,114) |
| - gain on disposal of property, plant and equipment | (210,269) | (78,300) | 0 | 0 | (288,569) |
| Other material items | | | | | |
| - purchase of trading merchandise, raw material, livestock and poultry feeds | 405,264,153 | 82,152,934 | 0 | (21,110,872) | 466,306,215 |
| - employee benefit expenses | 68,273,142 | 14,643,198 | 3,682,249 | 0 | 86,598,589 |
| - upkeep expenses (Note 8) | 18,909,550 | 268,430 | 66,704 | 0 | 19,244,684 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

| | Poultry RM | Trading RM | Others RM | Intersegment elimination RM | Group RM |
|---|---------------|---------------|--------------|-----------------------------------|--------------|
| 2024 | | | | | |
| REVENUE | | | | | |
| - external revenue | 643,699,994 | 109,816,688 | 253,973 | 0 | 753,770,655 |
| - inter-segment revenue | 0 | 27,875,129 | 40,178,908 | (68,054,037) | 0 |
| CONSOLIDATED REVENUE | 643,699,994 | 137,691,817 | 40,432,881 | (68,054,037) | 753,770,655 |
| RESULTS | | | | | |
| Segment profit before Interest and tax | 215,905,938 | 15,822,781 | 33,707,253 | (65,355,785) | 200,080,187 |
| Finance income | | | | | 3,557,506 |
| Finance cost | | | | | (5,221,465) |
| CONSOLIDATED PROFIT BEFORE TAX | | | | | 198,416,228 |
| Tax | | | | | (15,055,640) |
| CONSOLIDATED PROFIT AFTER TAX | | | | | 183,360,588 |
| ASSETS | | | | | |
| Segment assets | 726,325,985 | 86,519,188 | 8,277,775 | (8,532,207) | 812,590,741 |
| Unallocated assets: | | | | | |
| Deferred tax assets | | | | | 268,837 |
| Financial assets | | | | | 29,104,960 |
| Tax recoverable | | | | | 4,181,891 |
| CONSOLIDATED TOTAL ASSETS | | | | | 846,146,429 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

| | Poultry RM | Trading RM | Others RM | Intersegment elimination RM | Group RM |
|--|---------------|---------------|--------------|-----------------------------------|--------------------|
| 2024 | | | | | |
| LIABILITIES | 75,516,269 | 22,272,648 | 2,764,584 | (7,809,303) | 92,744,198 |
| Segment liabilities | | | | | |
| Unallocated liabilities: | | | | | |
| Bank borrowings | | | | | 97,787,705 |
| Tax payable and deferred tax liabilities | | | | | 37,181,994 |
| CONSOLIDATED TOTAL LIABILITIES | | | | | 227,713,897 |
| OTHER SEGMENT ITEMS | | | | | |
| Capital expenditure | 102,695,221 | 738,838 | 485,735 | 0 | 103,919,794 |
| Depreciation of property, plant and equipment | 26,343,420 | 1,070,357 | 917,556 | (18,835) | 28,312,498 |
| Depreciation of right-of-use assets | 245,663 | 842,130 | 0 | 0 | 1,087,793 |
| Non-cash item (other than depreciation) | | | | | |
| - reversal of impairment loss on trade receivables | (13,697) | 268,658 | 0 | 0 | 254,961 |
| - gain on disposal of property, plant and equipment | (6,783,882) | (42,500) | 0 | (18,750) | (6,845,132) |
| Other material items | | | | | |
| - purchase of trading merchandise, raw material, livestock and poultry feeds | 440,182,364 | 99,367,092 | 0 | (27,874,229) | 511,675,227 |
| - employee benefit expenses | 71,196,082 | 14,986,139 | 4,529,503 | 0 | 90,711,724 |
| - upkeep expenses (Note 8) | 16,858,579 | 284,818 | 75,638 | 0 | 17,219,035 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28 OPERATING SEGMENTS (CONTINUED)**Geographical Information**

Revenue is analysed based on the country in which the customers are located.

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

| | Revenue | | Non-current assets | |
|--------------|--------------------|-------------|--------------------|-------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Group | | | | |
| Malaysia | 565,536,100 | 565,230,028 | 517,033,811 | 437,181,789 |
| Singapore | 145,324,258 | 171,412,208 | 4,808,797 | 2,800,786 |
| Others | 25,016,384 | 17,128,419 | 0 | 0 |
| | 735,876,742 | 753,770,655 | 521,842,608 | 439,982,575 |

Major customers

There is no single customer that contributed 10% or more of the Group's revenue.

29 FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

In addition, the Group is exposed to risks arising from environmental and climatic changes and fluctuation in commodity prices for biological assets, in particular the egg selling prices.

The Group's geographic spread of farms allows a high degree of mitigation against adverse climatic conditions such as droughts and floods and disease outbreaks. The Group has environmental policies and procedures in place to comply with environmental and other laws.

The selling price of eggs is highly dependent on the supply and demand in the market. To mitigate the exposure to fluctuation of egg selling prices in Malaysia, the Group export eggs to overseas market. The Group also promotes premium eggs in both domestic and overseas market as the prices for premium eggs are more stable.

The Group actively manages the working capital requirements and has secured sufficient credit facilities to meet the cash flow requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group's policies in respect of the major areas of treasury activity are as follows:

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD") and Chinese Yuan ("CNY") (2024: Singapore Dollar ("SGD"), United States Dollar ("USD") and Euro ("EUR")). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward currency contracts to hedge against its foreign currency risk.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting year is summarised below:

| Group | Currency exposure as at 31.12.2025 | | | | |
|---|------------------------------------|--------------------|--------------------|------------------|--------------------|
| | SGD RM | USD RM | CNY RM | Others RM | Total RM |
| FINANCIAL ASSETS | | | | | |
| Trade receivables | 7,552,848 | (69,724) | 0 | 83,400 | 7,566,524 |
| Other financial assets at amortised cost | 0 | 154,142 | 0 | 4,761 | 158,903 |
| Cash and bank balances | 5,929,640 | 16,333,551 | 6,133 | 46,351 | 22,315,675 |
| | 13,482,488 | 16,417,969 | 6,133 | 134,512 | 30,041,102 |
| FINANCIAL LIABILITY | | | | | |
| Trade and other payables | (197,739) | (1,097,714) | (432,041) | (561,088) | (2,288,582) |
| | (197,739) | (1,097,714) | (432,041) | (561,088) | (2,288,582) |
| Less: Forward foreign currency contracts (contracted notional principal) | 0 | 1,024,785 | 1,663,881 | 463,090 | 3,151,756 |
| NET CURRENCY EXPOSURE | 13,284,749 | 16,345,040 | 1,237,973 | 36,514 | 30,904,276 |
| Currency exposure as at 31.12.2024 | | | | | |
| Group | SGD RM | USD RM | EUR RM | Others RM | Total RM |
| FINANCIAL ASSETS | | | | | |
| Trade receivables | 8,099,447 | 425,612 | 0 | 18,577 | 8,543,636 |
| Other financial assets at amortised cost | 0 | 830,116 | 0 | 0 | 830,116 |
| Cash and bank balances | 3,579,329 | 4,458,788 | 13,053 | 31,674 | 8,082,844 |
| | 11,678,776 | 5,714,516 | 13,053 | 50,251 | 17,456,596 |
| FINANCIAL LIABILITY | | | | | |
| Trade and other payables | (243,323) | (7,682,630) | (2,319,545) | (266,630) | (10,512,128) |
| NET CURRENCY EXPOSURE | 11,435,453 | (1,968,114) | (2,306,492) | (216,379) | 6,944,468 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Foreign currency risk (continued)**Sensitivity analysis for foreign currency risk

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting year, with all other variables held constant:

| | Group | |
|---|------------------|------------|
| | 2025 RM | 2024 RM |
| <u>Effects on profit after tax and equity</u> | | |
| SGD/RM | | |
| - strengthened by 5% (2024: 5%) | 504,820 | 434,547 |
| - weakened by 5% (2024: 5%) | (504,820) | (434,547) |
| USD/RM | | |
| - strengthened by 5% (2024: 5%) | 621,112 | (74,788) |
| - weakened by 5% (2024: 5%) | (621,112) | 74,788 |
| CNY/RM | | |
| - strengthened by 5% (2024: 5%) | 47,043 | (756) |
| - weakened by 5% (2024: 5%) | (47,043) | 756 |
| EUR/RM | | |
| - strengthened by 5% (2024: 5%) | 1,102 | (87,647) |
| - weakened by 5% (2024: 5%) | (1,102) | 87,647 |

The Company is not exposed to foreign currency risk as at 31 December 2025 and 31 December 2024.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group does not account for fixed rate financial assets and liabilities through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit and loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk (continued)

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

| | Group | |
|-------------------------------|-------------------|------------|
| | 2025 RM | 2024 RM |
| FIXED RATE INSTRUMENTS | | |
| <u>Financial liabilities</u> | | |
| Bankers' acceptances | 72,437,000 | 59,451,000 |
| Revolving credit | 7,000,000 | 0 |
| | 79,437,000 | 59,451,000 |

FLOATING RATE INSTRUMENTS

| | | |
|------------------------------|------------|------------|
| <u>Financial liabilities</u> | | |
| Term loans | 51,877,273 | 38,336,705 |

Interest rate risk sensitivity analysis

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

| | Group | |
|---------|------------|------------|
| | 2025 RM | 2024 RM |
| + 50 bp | 498,994 | 371,593 |
| - 50 bp | (498,994) | (371,593) |

(c) 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. It is the Group's and Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

It is the Group's and Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers with good credit history that have been transacting with the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Credit risk (continued)**Credit risk concentration profile

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

Maximum exposure to credit risk

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Group's major classes of financial assets are trade and other receivables and cash and bank balances.

Impairment of financial assets**(i) Trade receivables using simplified approach**

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

Historically, the Group's loss arising from credit risk is low. To measure the expected credit loss, receivables have been grouped based on days past due. The expected loss rates are based on the payment profiles of debtors over a period of 36 months and the corresponding credit losses experienced within this period. The historical loss rates are then adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of customers to settle receivables. Given that the customers of Group's customers are largely based in Malaysia, management has identified GDP and inflationary rate in Malaysia to be the most relevant factors which may impact the ability of customers to meet their debt obligations. The historical loss rates have been adjusted based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group considers a financial asset to be in default if the counterparty fails to make contractual payments within 90 days when they fall due. Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group when a debtor fails to make contractual payments on debts greater than 365 days past due. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The reconciliation of allowance for impairment is disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Impairment of financial assets (continued)

(i) Trade receivables using simplified approach (continued)

The following table contains an analysis of the credit risk exposure of trade receivables for which a loss allowance is recognised using simplified approach. The gross carrying amount of trade receivables below also represents the Group's maximum exposure to credit risk on these assets:

| | Current | 1 to 90 days past due | 91 to 180 days past due | More than 180 days past due | Total |
|---|------------|-----------------------------|-------------------------------|-----------------------------------|-------------|
| 31 December 2025 | | | | | |
| Gross carrying amount (RM): | | | | | |
| trade receivables | 43,522,115 | 9,193,196 | 102,830 | 283,167 | 53,101,308 |
| Expected loss rate (%) | 0.06 | 1.56 | 1.31 | 100.00 | 0.85 |
| Less: Loss allowance | (25,207) | (142,989) | (1,342) | (283,167) | (452,705) |
| Carrying amount (net of loss allowance) | 43,496,908 | 9,050,207 | 101,488 | 0 | 52,648,603 |
| 31 December 2024 | | | | | |
| Gross carrying amount (RM): | | | | | |
| trade receivables | 39,728,027 | 8,632,011 | 67,599 | 1,076,244 | 49,503,881 |
| Expected loss rate (%) | 0.04 | 2.99 | 86.21 | 96.29 | 2.76 |
| Less: Loss allowance | (15,223) | (257,780) | (58,274) | (1,036,360) | (1,367,637) |
| Carrying amount (net of loss allowance) | 39,712,804 | 8,374,231 | 9,325 | 39,884 | 48,136,244 |

(ii) Other receivables using general 3-stage approach

The Group use these following categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories:

| Category | Group's definition of category | Basis for recognising expected credit losses ("ECL") |
|-----------------|--|--|
| Performing | Debtors have a low risk of default and a strong capacity to meet contractual cash flows. | 12-month ECL |
| Underperforming | Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if repayments are more than 90 days past due. | Lifetime ECL |
| Write-off | There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. | Asset is written off |

As at the end of the reporting year, the Group's sundry receivables amounted to RM198,653 (2024: RM284,793). The Group consider other receivables to have a low risk of default and can be fully recoverable and thus the loss allowance recognised during financial year was limited to 12 months expected loss. No loss allowance is recorded as at 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Impairment of financial assets (continued)

(iii) Intercompany receivables (non-trade) - inclusive of amounts due from subsidiaries using general 3-stage approach

The Company provides unsecured advances to subsidiaries and where necessary makes payments for expenses on behalf of its subsidiaries. The Company monitors the performance of the subsidiaries regularly.

The Company has assessed the loss allowance for amounts due from subsidiaries individually taking into consideration of the financial position and the plans in place for the respective subsidiaries. As at this reporting date, no loss allowance is to be recorded.

(iv) Financial guarantee contracts using 3-stage approach

The financial guarantee contracts are in relation to the corporate guarantee given to banks in respect of the bank facilities given to the subsidiaries. The maximum credit risk exposure is the amount of borrowings utilised by the subsidiaries. Historically, the subsidiaries have not defaulted in any borrowings and with the stringent monitoring over the treasury process, hence the financial guarantee contracts are unlikely to be called by the subsidiaries' lenders. The Company does not expect significant credit losses arising from these guarantees.

(d) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting year):

| | On demand RM | Within 1 year RM | Between 1 - 5 years RM | Over 5 years RM | Total contractual cashflow RM | Total carrying amount RM |
|---|-----------------|---------------------|---------------------------|--------------------|----------------------------------|-----------------------------|
| Group | | | | | | |
| As at 31.12.2025 | | | | | | |
| Trade and other payables (*) | 3,379 | 60,782,676 | 0 | 0 | 60,786,055 | 60,786,055 |
| Gross settled (foreign currency forwards) | | | | | | |
| - (inflow) | 0 | (3,125,902) | 0 | 0 | (3,125,902) | 0 |
| - outflow | 0 | 3,151,756 | 0 | 0 | 3,151,756 | 25,854 |
| Bank borrowings | | | | | | |
| - bankers' acceptances | 0 | 72,437,000 | 0 | 0 | 72,437,000 | 72,437,000 |
| - revolving credits | 0 | 7,014,624 | 0 | 0 | 7,014,624 | 7,000,000 |
| - term loans | 0 | 10,455,973 | 44,829,009 | 4,208,549 | 59,493,531 | 51,877,273 |
| Lease liabilities | 0 | 1,660,180 | 2,254,828 | 0 | 3,915,008 | 3,666,311 |
| | 3,379 | 152,376,307 | 47,083,837 | 4,208,549 | 203,672,072 | 195,792,493 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

| | On demand RM | Within 1 year RM | Between 1 - 5 years RM | Over 5 years RM | Total contractual cashflow RM | Total carrying amount RM |
|------------------------------|--------------------|------------------------|------------------------------|-----------------------|--|-----------------------------------|
| Group | | | | | | |
| As at 31.12.2024 | | | | | | |
| Trade and other payables (*) | 36,782 | 65,941,923 | 0 | 0 | 65,978,705 | 65,978,705 |
| Bank borrowings | | | | | | |
| - bankers' acceptances | 0 | 59,451,000 | 0 | 0 | 59,451,000 | 59,451,000 |
| - term loans | 0 | 9,795,980 | 28,869,116 | 5,101,996 | 43,767,092 | 38,336,705 |
| Lease liabilities | 0 | 930,211 | 579,789 | 0 | 1,510,000 | 1,465,826 |
| | 36,782 | 136,119,114 | 29,448,905 | 5,101,996 | 170,706,797 | 165,232,236 |

* Trade and other payables excluding non-financial liabilities and derivative financial liabilities for the financial year ended 31 December 2025 and 31 December 2024.

| Company | On demand RM | Within 1 year RM | Total contractual cashflow RM | Total carrying amount RM |
|-----------------------------------|--------------------|------------------------|--|-----------------------------------|
| As at 31.12.2025 | | | | |
| Trade and other payables | 2,203 | 861,176 | 863,379 | 863,379 |
| Financial guarantee contracts (*) | 0 | 137,787,490 | 137,787,490 | 0 |
| As at 31.12.2024 | | | | |
| Trade and other payables | 36,110 | 675,916 | 712,026 | 712,026 |
| Financial guarantee contracts (*) | 0 | 101,396,430 | 101,396,430 | 0 |

* The financial guarantee contracts are in relation to the corporate guarantee given to banks in respect of the bank facilities given to the subsidiaries. The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair values

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

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 – Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms. The fair values of term loans approximate their carrying amounts as they are repriced to market interest rates on or near the reporting date.

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

(i) Financial instruments measured at fair value

The following table represent the Group's financial assets that are measured at fair value into three different level as per below:

| Group | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|--|---------------|---------------|---------------|-------------|
| 2025 | | | | |
| <u>Financial assets</u> | | | | |
| Equity instruments classified as FVOCI | | | | |
| - quoted shares | 7,355 | 0 | 0 | 7,355 |
| 2024 | | | | |
| <u>Financial assets</u> | | | | |
| Equity instruments classified as FVOCI | | | | |
| - quoted shares | 7,930 | 0 | 0 | 7,930 |
| - unquoted shares | 0 | 0 | 4,438,530 | 4,438,530 |
| | 7,930 | 0 | 4,438,530 | 4,446,460 |

The Company does not have any financial assets and liabilities at fair values as at 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair values (continued)

(i) Financial instruments measured at fair value (continued)

The fair values above have been determined using the following basis:

- The fair values of quoted investments are determined at their quoted closing bid prices at the end of the reporting year.
- The unquoted investment is initially recognised at fair value. Subsequently, its fair value is estimated using an adjusted net asset value approach, based on the Group's share of the investee's net assets at the end of the reporting date.
- The fair values of forward currency contracts are determined using forward exchange rates at the end of the reporting year with the resulting value discounted back to present value.

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

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

Other than biological assets (Note 15), the Group and Company does not have non-financial assets and liabilities measured at fair value at the reporting date.

(f) Classification of financial instruments

| | Group | | Company | |
|---|-------------|-------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Financial assets classified as FVOCI: | | | | |
| Equity instruments | 7,355 | 4,446,460 | 0 | 0 |
| Financial assets classified as amortised cost: | | | | |
| Trade receivables | 52,648,603 | 48,136,244 | 0 | 0 |
| Other receivables ¹ | 1,901,309 | 1,023,158 | 9,632 | 410,105 |
| Cash and bank balances | 183,482,574 | 126,843,510 | 9,316,097 | 3,653,499 |
| | 238,032,486 | 176,002,912 | 9,325,729 | 4,063,604 |
| Total financial assets | 238,039,841 | 180,449,372 | 9,325,729 | 4,063,604 |
| Financial liabilities classified as amortised cost: | | | | |
| Trade and other payables ² | 60,786,055 | 65,978,705 | 863,379 | 712,026 |
| Bank borrowings | 131,314,273 | 97,787,705 | 0 | 0 |
| Lease liabilities | 3,666,311 | 1,465,826 | 0 | 0 |
| | 195,766,639 | 165,232,236 | 863,379 | 712,026 |
| Financial liabilities classified as FVTPL: | | | | |
| Derivative financial liabilities | 25,854 | 0 | 0 | 0 |
| Total financial liabilities | 195,792,493 | 165,232,236 | 863,379 | 712,026 |

¹ Other receivables exclude prepayments for property, plant and equipment, which are classified as non-financial assets.

² Trade and other payables excluding non-financial liabilities and derivative financial liabilities for the financial year ended 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are:

- to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group could adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Gearing ratio

The gearing ratios used to assess the appropriateness of the Group's debt level. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions and lease liabilities less cash and bank balances. The debt-to-equity ratio of the Group at the end of the reporting year was as follows:

| | Group | |
|------------------------------|---------------|---------------|
| | 2025 RM | 2024 RM |
| Bank borrowings | 131,314,273 | 97,787,705 |
| Lease liabilities | 3,666,311 | 1,465,826 |
| | 134,980,584 | 99,253,531 |
| Less: Cash and bank balances | (183,482,574) | (126,843,510) |
| Net (cash)/debt | (48,501,990) | (27,589,979) |
| Total equity | 721,606,101 | 618,432,532 |
| Debt-to-equity ratio | N/A* | N/A* |

* The debt-to-equity ratio of the Group at the end of the reporting year is not presented as its cash and bank balances exceeded the total debts.

Externally imposed capital requirements

As at reporting date, the Group is in compliance with the externally imposed capital requirements on material borrowings as at 31 December 2025 and 31 December 2024.

There were no changes in the Group's approach to capital management during the financial year. Other than the covenants on borrowings as disclosed in Note 22(d), the Group is not subject to any other externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting year but not provided for in the financial statements is as follows:

| | Group | |
|-------------------------------|-------------------|------------|
| | 2025 RM | 2024 RM |
| Property, plant and equipment | 12,693,685 | 33,156,965 |

32 EVENTS OCCURRING AFTER THE FINANCIAL YEAR

On 10 February 2026, the Company declared a third interim single-tier dividend of RM0.01 per ordinary share, amounting to RM5.8 million in respect of the financial year ended 31 December 2025 and paid on 18 March 2026.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lau Jui Peng and Nam Hiok Joo, being two of the Directors of Teo Seng Capital Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 78 to 163 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 April 2026.

LAU JUI PENG
DIRECTOR

NAM HIOK JOO
DIRECTOR

Yong Peng

STATUTORY DECLARATION

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

I, Nam Hiok Joo, the Director primarily responsible for the financial management of Teo Seng Capital Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 163 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.

NAM HIOK JOO

Subscribed and solemnly declared by the abovenamed

At: Yong Peng
in the State of Johor Darul Takzim, Malaysia

On: 14 April 2026

Before me:

Pesuruhjaya Sumpah, Yu Chew Fang

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TEO SENG CAPITAL BERHAD
(INCORPORATED IN MALAYSIA) REGISTRATION NO. 200601013011 (732762-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 78 to 163.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Our audit approach

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF TEO SENG CAPITAL BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NO. 200601013011 (732762-T)

Key audit matters

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

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p><u>Valuation of biological assets</u></p> <ul style="list-style-type: none"> • Refer to Note 3.7 and Note 15 to the financial statements for the financial year ended 31 December 2025. • As at 31 December 2025, the Group's biological assets balance was RM151,804,326. • Biological assets of the Group comprise pullets and layers. In determining the fair value of these biological assets, the Group uses a discounted cash flow model. • Significant judgement is required to be made by Directors and management to estimate the key assumptions. These judgements impact the fair value of biological assets recognised. • We focused on this area as key judgements are made to estimate the expected number of table eggs produced by each layer, the expected selling price of the table eggs, as well as feed costs used in determining fair value less costs to sell using discounted cash flow model. | <ul style="list-style-type: none"> • We obtained the biological assets' valuation prepared by management. The valuation was based on fair value less costs to sell, using a discounted cash flow model. • We have checked the mathematical accuracy of the valuation model prepared by management. • We involved our valuation experts to evaluate the appropriateness of the methodology and key assumptions used by Directors and management in the valuation of the biological assets. • We corroborated the expected number of table eggs produced to historical data. • In respect of projected selling prices and feed costs, we back-tested by comparing projected prices against historical prices and/or latest available prices and cost and checked reasonableness of adjustments made for market movements. • We assessed the appropriateness of the range used to test the sensitivity analysis performed by management. • We reviewed the adequacy of the disclosures in the financial statements. • Based on the above procedures performed, we did not note material exceptions as at 31 December 2025. |

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

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Annual Report and Statement of Risk Management and Internal Control, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF TEO SENG CAPITAL BERHAD
(INCORPORATED IN MALAYSIA) REGISTRATION NO. 200601013011 (732762-T)

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF TEO SENG CAPITAL BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NO. 200601013011 (732762-T)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

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

Melaka
14 April 2026

TOP 10 PROPERTIES OWNED BY TEO SENG CAPITAL BERHAD AND ITS SUBSIDIARIES

(PURSUANT TO APPENDIX 9C PART A (25) OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

LIST OF PROPERTY, PLANT AND EQUIPMENT - FYE 31 DECEMBER 2025

| No. | Location | Description | Tenure | Land Area | Age of Building (Years) | Net Book Value (RM'000) | Date of Acquisition/ Revaluation |
|-----|--|---|----------|-------------------|-------------------------|-------------------------|----------------------------------|
| 1 | GM 971 Lot 982 Mukim Chaah Bahru Jalan Bahagian B-2 Ladang Yong Peng | Old Hen Processing Plant | Freehold | 2.72A | 6 | 18,044 | Dec-25 |
| | GM 1138 Lot 4008 Mukim Chaah Bahru Batu 3 1/2, Jalan Labis Daerah Batu Pahat, Johor | Warehouse | Freehold | 4.61A | 2 | | |
| 2 | HS(D) 305081 PT12932 Mukim Jeram Daerah Kuala Selangor Selangor | Vacant Land | Freehold | 3.53A | 1 | 15,178 | Jun-25 |
| 3 | GRN560956 Lot 31730 GRN560957 Lot 31732 Mukim Tanjong Sembrong Batu 4, Jalan Air Hitam Daerah Batu Pahat, Johor | Central Packing Station 3 | Freehold | 4.34A | 6 | 13,697 | Apr-18 |
| 4 | HS (M) 16559 & 16560 PTD 30302 Mukim Tanjong Sembrong Tempat Yong Peng - Air Hitam Road Daerah Batu Pahat, Johor | Feedmill Plant | Freehold | 6.10A | 25 | 11,693 | *Mar-09 |
| 5 | Geran 94699 Lot 299 Mukim Chaah Bahru Daerah Batu Pahat, Johor | Plantation | Freehold | 44.91A | 2 | 10,617 | May-24 |
| 6 | Lot 83, 89, 90 PTD 2513-2517 Jalan Kg Kangkar Baru Daerah Batu Pahat, Johor | Layer Farm 9 | Freehold | 48.05A | 20 | 9,645 | *May-17 |
| 7 | Geran 94697 Lot 298 Mukim Chaah Bahru Daerah Batu Pahat, Johor | Plantation | Freehold | 36.28A | 2 | 8,573 | May-24 |
| 8 | HSD 35156 PT 49508 Mukim Dengkil Daerah Sepang, Selangor No.43, Jalan Meranti Jaya 11 Taman Meranti Jaya 47120 | Single Storey Semi-Detached Factory | Freehold | 1,766 sq meter | 9 | 8,286 | Jul-17 |
| 9 | GN 560958 Lot 31734 Mukim Tanjong Sembrong Batu 4, Jalan Air Hitam Johor | Central Packing Station 1 | Freehold | 4.24A | 14 | 8,236 | *May-17 |
| 10 | HS (D) 6883 Lot 4026 Mukim of Jeram Batu District of Pontian, Johor | Farm | Freehold | 9.99A | 2 | 8,228 | Jul-24 |

* Date of Revaluation

ANALYSIS OF SHAREHOLDINGS

AS PER REGISTER OF DEPOSITORS DATED 31 MARCH 2026

Total Number of Issued Shares : 600,016,350 ordinary shares (inclusive of 21,965,374 Treasury shares)
Class of Shares : Ordinary shares
Voting Shares : One vote per ordinary share

ANALYSIS BY SIZE SHAREHOLDINGS

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | %* |
|-----------------------|---------------------|---------------|--------------------|---------------|
| Less than 100 | 219 | 4.58 | 11,464 | 0.00 |
| 100 to 1,000 | 1,002 | 20.97 | 414,140 | 0.07 |
| 1,001 to 10,000 | 1,975 | 41.34 | 10,407,298 | 1.80 |
| 10,001 to 100,000 | 1,278 | 26.75 | 42,010,936 | 7.27 |
| 100,001 to 28,902,547 | 303 | 6.34 | 213,890,954 | 37.00 |
| 28,902,548 and above | 1 | 0.02 | 311,316,184 | 53.86 |
| Total | 4,778 | 100.00 | 578,050,976 | 100.00 |

Note:

Excluding 21,965,374 Treasury Shares

THIRTY LARGEST SHAREHOLDERS

| No. | Name | No. of Shares | % |
|-----|--|---------------|-------|
| 1 | Advantage Valuations Sdn. Bhd. | 311,316,184 | 53.86 |
| 2 | Kong Goon Khing | 23,999,000 | 4.15 |
| 3 | Leong Hup (Malaysia) Sdn. Bhd. | 14,208,954 | 2.46 |
| 4 | IFAST Nominees (Tempatan) Sdn. Bhd. Global Success Network Sdn. Bhd. | 12,388,374 | 2.14 |
| 5 | Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Eng Guang | 6,917,710 | 1.20 |
| 6 | Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sia Kian Leng (E-JAH) | 4,430,822 | 0.77 |
| 7 | Leong Hup Holdings Sdn. Bhd. | 3,912,040 | 0.68 |
| 8 | Lau Joo Kiang | 3,561,168 | 0.62 |
| 9 | Nam Hiok Yong | 3,261,600 | 0.56 |
| 10 | Teo Sik Ghoo | 3,182,358 | 0.55 |
| 11 | Tong Seh Industries Supply Sdn. Bhd. | 3,044,776 | 0.53 |
| 12 | RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sanlens Sdn. Bhd. | 2,944,740 | 0.51 |
| 13 | Nam Hiok Joo | 2,932,444 | 0.51 |
| 14 | Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Joo Kien Brian | 2,556,596 | 0.44 |
| 15 | Safari Bird Park & Wonderland Sdn. Bhd. | 2,338,400 | 0.40 |
| 16 | Cartaban Nominees (Asing) Sdn. Bhd. The Bank of New York Mellon for Acadian Emerging Markets Small Cap Equity Fund, LLC | 2,332,896 | 0.40 |
| 17 | RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Keng Chor | 2,268,844 | 0.39 |

ANALYSIS OF SHAREHOLDINGS

AS PER REGISTER OF DEPOSITORS DATED 31 MARCH 2026

| No. | Name | No. of Shares | % |
|--------------|--|--------------------|--------------|
| 18 | Na Yok Chee | 2,144,006 | 0.37 |
| 19 | Lai Chong Koo | 2,075,700 | 0.36 |
| 20 | Wong Ah Tai | 2,052,178 | 0.36 |
| 21 | Amnah Binti Ibrahim | 1,998,184 | 0.34 |
| 22 | Na Hap Cheng | 1,972,142 | 0.34 |
| 23 | Ng Lee Ping | 1,916,788 | 0.33 |
| 24 | Nam Yok San | 1,851,446 | 0.32 |
| 25 | Kong Goon Siong | 1,826,864 | 0.32 |
| 26 | Lim Chun Yow | 1,824,404 | 0.32 |
| 27 | Citigroup Nominees (Asing) Sdn. Bhd. UBS AG | 1,812,895 | 0.31 |
| 28 | Khor Chai Moi | 1,786,106 | 0.31 |
| 29 | Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Joo Kien Brian (7001639) | 1,721,100 | 0.30 |
| 30 | CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Song Teik Sun (PB) | 1,700,000 | 0.29 |
| Total | | 430,278,719 | 74.44 |

SUBSTANTIAL SHAREHOLDERS

As per Register of Substantial Shareholdings

| Shareholders | No. of Shares Held | | | |
|-----------------------------------|--------------------|-------|--------------------------------|-------|
| | Direct | % | Indirect | % |
| Advantage Valuations Sdn. Bhd. | 311,316,184 | 53.86 | - | - |
| Leong Hup (Malaysia) Sdn. Bhd. | 14,208,954 | 2.46 | 311,316,184 ¹ | 53.86 |
| Unigold Capital Sdn. Bhd. | - | - | 311,316,184 ¹ | 53.86 |
| Leong Hup International Sdn. Bhd. | - | - | 325,525,138 ² | 56.31 |
| Emerging Glory Sdn. Bhd. | - | - | 325,525,138 ³ | 56.31 |
| CW Lau & Sons Sdn. Bhd. | - | - | 325,525,138 ⁴ | 56.31 |
| Lau Joo Han | - | - | 325,525,138 ⁴ | 56.31 |
| Datuk Lau Joo Hong | - | - | 325,525,138 ⁵ | 56.31 |
| Lau Jui Peng | - | - | 325,525,138 ⁵ | 56.31 |
| Lau Joo Heng | - | - | 325,525,138 ⁵ | 56.31 |
| Na Hap Cheng | 2,317,106 | 0.40 | 311,316,184 ⁶ | 53.86 |
| Na Yok Chee | 2,144,006 | 0.37 | 314,035,168 ^{6&7} | 54.33 |

ANALYSIS OF SHAREHOLDINGS

AS PER REGISTER OF DEPOSITORS DATED 31 MARCH 2026

DIRECTORS' INTEREST

As per Register of Directors' Shareholdings

| Directors | No. of Shares Held | | | |
|---------------|--------------------|------|--------------------------|-------|
| | Direct | % | Indirect | % |
| Lau Jui Peng | - | - | 325,525,138 ⁵ | 56.31 |
| Nam Hiok Joo | 2,932,444 | 0.51 | - | - |
| Loh Wee Ching | - | - | - | - |
| Lim Huey Hean | - | - | - | - |
| Lim Ying Khoo | 300 | 0.00 | - | - |
| Goh Wen Ling | - | - | - | - |

Notes:

1. Deemed interested by virtue of its/his interest in Advantage Valuations Sdn. Bhd. and/or subsidiary pursuant to Section 8(4) of the Companies Act 2016 ("the Act").
2. Deemed interested by virtue of its interest in Leong Hup (Malaysia) Sdn. Bhd. pursuant to Section 8(4) of the Act.
3. Deemed interested by virtue of its interest in Leong Hup International Berhad pursuant to Section 8(4) of the Act.
4. Deemed interested by virtue of its/his interest in Emerging Glory Sdn. Bhd. pursuant to Section 8(4) of the Act.
5. Deemed interested by virtue of his interest in CW Lau & Sons Sdn. Bhd. pursuant to Section 8(4) of the Act.
6. Deemed interested by virtue of his interest in Unigold Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
7. Deemed interested by virtue of his indirect equity interest in Teo Seng Capital Berhad via his spouse and/or children pursuant to Section 59(11)(c) of the Act.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company ("20th AGM") will be held at Teo Seng Capital Berhad Conference Room, First Floor, Lot PTD 25740, Batu 4, Jalan Air Hitam, 83700 Yong Peng, Johor, on Friday, 29 May 2026 at 11.30 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

- | | |
|---|---|
| 1. To receive the Audited Financial Statements of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 31 December 2025. | (Please refer to Explanatory Note 1) |
| 2. To approve the payment of Directors' fees up to an amount of RM242,400 for the period from 30 May 2026 until the next Annual General Meeting of the Company to be held in 2027. | [Ordinary Resolution 1] (Please refer to Explanatory Note 2) |
| 3. To approve the payment of Directors' Benefits up to an amount of RM92,600 for the period from 30 May 2026 until the next Annual General Meeting of the Company to be held in 2027. | [Ordinary Resolution 2] (Please refer to Explanatory Note 2) |
| 4. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Constitution of the Company: 4.1 Loh Wee Ching 4.2 Goh Wen Ling | (Please refer to Explanatory Note 3) [Ordinary Resolution 3] [Ordinary Resolution 4] |
| 5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. | [Ordinary Resolution 5] (Please refer to Explanatory Note 4) |

AS SPECIAL BUSINESS

To consider and if thought fit, with or without any modification(s), to pass the following resolutions:

- | | |
|--|---|
| 6. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | [Ordinary Resolution 6] (Please refer to Explanatory Note 5) |
|--|---|
- "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant governmental/regulatory authorities where such approval is required, the Directors be and are hereby empowered to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of the issued shares (excluding any treasury shares) of the Company for the time being.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- (b) the expiration of the period within which the next AGM is required to be held after the approval was given, or
- (c) revoked or varied by an Ordinary Resolution passed by the shareholders of the Company at a general meeting;

whichever is the earlier.”

7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries (“the Group”) to enter into recurrent related party transactions of a revenue or trading nature (“RRPT”) with the related party(ies) as set out in Section 2 of the Circular to Shareholders of the Company dated 28 April 2026 (“the Circular”) provided that such transactions are:

- (a) necessary for the day-to-day operations;
- (b) in the ordinary course of business and are on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public; and
- (c) not detrimental to the minority shareholders of the Company,

(“Shareholders’ Mandate”).

THAT such approval shall continue to be in force and effect until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such Shareholders’ Mandate was passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“the Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Shareholders’ Mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities.”

[Ordinary Resolution 7]
(Please refer to
Explanatory Note 6)

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

8. PROPOSED RENEWAL OF AUTHORISATION TO ENABLE THE COMPANY TO PURCHASE UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company provided that:

**[Ordinary Resolution 8]
(Please refer to
Explanatory Note 7)**

- (i) the aggregate number of issued shares in the Company ("Shares") purchased ("Purchased Shares") and/or held as treasury shares pursuant to this Ordinary Resolution does 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 the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase;

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed at which time the authority will lapse unless by Ordinary Resolution passed at the 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 is required by law to be held; or
- (c) revoked or varied by Ordinary Resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

- (vii) To sell, transfer or otherwise use the Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribed; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By order of the Board

Lee Choon Seng (MAICSA 7003453) (SSM Practising Certificate No. 202008002259)

Lum Sow Wai (MAICSA 7028519) (SSM Practising Certificate No. 202008002373)

Tan Bee Hwee (MAICSA 7021024) (SSM Practising Certificate No. 202008001497)

Lim You Jing (MAICSA 7075638) (SSM Practising Certificate No. 202108000369)

Secretaries

Yong Peng

28 April 2026

Notes:

- (i) For the purpose of determining a member who shall be entitled to attend and vote at the Twentieth Annual General Meeting ("20th AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 22 May 2026. Only a member whose name appears on the Record of Depositors as at 22 May 2026 shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (ii) A member entitled to attend and vote at the 20th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (iii) A member of the Company who is entitled to attend and vote at the 20th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at this AGM.
- (iv) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (v) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (vi) 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 is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of Central Depositories Act.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

- (vii) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (viii) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 20th AGM, i.e. by 11.30 a.m. on Wednesday, 27 May 2026 or adjourned 20th AGM at which the person named in the appointment proposes to vote:
- (i) In Hard Copy Form
In the case of an appointment made in hard copy form, the proxy form or any authority pursuant to which such an appointment is made by a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, it can be deposited in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) By Electronic Means
In the case of an appointment made via electronic means, the proxy form can be electronically submitted to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>. (Kindly refer to the Administrative Guide for the 20th AGM).
- (ix) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (x) Last date and time for lodging the proxy form is 11.30 a.m., on Wednesday, 27 May 2026.
- (xi) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
- Identity card (NRIC) (Malaysian), or
 - Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
- (xii) For a corporate member who has appointed a representative instead of a proxy to attend the 20th AGM, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's Share Registrar earlier.

EXPLANATORY NOTES

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 ("the Act") do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Items 2 and 3 of the Agenda

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

On 14 April 2026, the Remuneration Committee reviewed the Directors' fees and benefits for the period from 30 May 2026 until the next Annual General Meeting ("AGM") of the Company to be held in 2027, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The Directors' fees for the period from 30 May 2026 until the next AGM of the Company to be held in 2027 amounting to a total of RM242,400 will be paid by the Company to the respective Directors as and when their services are rendered if the proposed Ordinary Resolution 1 is passed by the shareholders at the 20th AGM.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

The proposed structure of the Directors' benefits for the period from 30 May 2026 until the next AGM of the Company to be held in 2027 is as follows:

| Type of Benefits | Amount |
|-------------------------------------|----------|
| Other Emoluments / (Festival Token) | RM92,600 |

Payment of the Directors' benefits will be made by the Company to the respective Directors if the proposed Ordinary Resolution 2 is passed by the shareholders at the 20th AGM.

The Ordinary Resolutions 1 and 2 are to facilitate payment of Directors' fees and benefits for duties performed as Independent Non-Executive Directors of the Company on a monthly basis and/or as and when their services are rendered.

In the event the Directors' fees and benefits proposed are insufficient, approval will be sought at the next AGM for additional fees to meet the shortfall.

3. Item 4 of the Agenda

Mr. Loh Wee Ching and Ms. Goh Wen Ling are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 20th AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profiles of the Directors who are standing for re-election as per Agenda item 4 are set out in the Board of Directors' profile of the Annual Report 2025. For the purpose of determining the eligibility of the Directors to stand for re-election at the 20th AGM, the Board, through its Nominating Committee ("NC"), considered, assessed and deliberated on the suitability of the said Directors to be re-elected as Directors of the Company based on the results of the assessment of the Directors for the financial year ended 31 December 2025 and fit and proper assessment.

Based on the recommendation of NC, the Board supports the re-election of the abovementioned Directors with the following justifications: -

i. Re-election of Mr. Loh Wee Ching as Executive Director

Mr. Loh Wee Ching's extensive experience in the poultry industry and deep understanding of the Group's operations and marketing strategies strengthen the Board's strategic oversight and business development. His leadership in the marketing function and long-standing industry relationships provide valuable insights in identifying market opportunities, supporting the Group's competitiveness and sustainable growth.

ii. Re-election of Ms. Goh Wen Ling as Independent Non-Executive Director

Ms. Goh Wen Ling fulfils the independence requirements under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. She has consistently demonstrated objectivity and independence in expressing her views and participating in Board deliberations and decision-making. With over twenty (20) years of working experience in the legal industry, Ms. Goh Wen Ling possesses the expertise and a deep understanding of corporate law and regulatory compliance, which enable her to offer insightful and effective advice on the Group's affairs from a legal perspective.

4. Item 5 of the Agenda

The Audit Committee ("AC") had at its meeting held on 10 February 2026 assessed the suitability and independence of the External Auditors and recommended the re-appointment of PricewaterhouseCoopers PLT as the External Auditors of the Company for the financial year ending 31 December 2026. Please refer to the Corporate Governance Overview Statement for further details on the assessment conducted by the AC.

The Board has reviewed the recommendation of the AC and recommended the same to be tabled to the shareholders for approval at the 20th AGM.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

5. Item 6 of the Agenda

The proposed Ordinary Resolution 6 is intended to renew the authority granted to the Directors of the Company at the Nineteenth Annual General Meeting ("19th AGM") of the Company held on 28 May 2025, and if passed, will give the Directors authority to issue and allot shares of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, provided that the aggregate number of such New Shares to be issued and allotted pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of the issued shares (excluding any treasury shares) of the Company for the time being ("General Mandate").

The General Mandate granted by the shareholders at the 19th AGM of the Company held on 28 May 2025 had not been utilised and hence, no proceeds were raised therefrom.

The renewal of the General Mandate will enable the Directors to issue and allot new shares for any possible fund raising activities, including but not limited to placing of new shares, for the purpose of funding current and/or future investment project(s), working capital, repayment of borrowings, acquisition(s) and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors of the Company may deem fit in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares.

As at the date of this Notice, the Company has not made any decision to issue and allot new shares under the mandate granted by the shareholders at the 19th AGM as there was no requirement for fund raising activities. Should a decision be made after the renewal of this mandate, the Company will announce the intended purpose and utilisation of proceeds arising from such issuance, and will provide quarterly updates on the status of their utilisation.

6. Item 7 of the Agenda

The proposed Ordinary Resolution 7, if passed, will allow the Group to continue to enter into recurrent related party transactions on an arm's length basis and on normal commercial terms and transaction prices, which are not prejudicial to the interests of the minority shareholders. Please refer to Part A of the Circular to Shareholders dated 28 April 2026 for further information.

7. Item 8 of the Agenda

The proposed Ordinary Resolution 8, if passed, will allow the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained profits of the Company. Please refer to Part B of the Statement to Shareholders dated 28 April 2026 for further information.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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Teo Seng Capital Berhad

Registration No. 200601013011 (732762-T)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

CDS Account No. of Authorised Nominee#

#applicable to shares held through nominee account

No. of shares held

I/We _____ [Full name in block, NRIC/Passport/Company No.] Tel: _____
of _____

being member(s) of **Teo Seng Capital Berhad**, hereby appoint:

| | | | |
|----------------------|-------------------|-----------------------------|---|
| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings | |
| | | No. of Shares | % |
| Address | | | |

and / or* (*delete as appropriate)

| | | | |
|----------------------|-------------------|-----------------------------|---|
| Full Name (in Block) | NRIC/Passport No. | Proportion of Shareholdings | |
| | | No. of Shares | % |
| Address | | | |

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held at Teo Seng Capital Berhad Conference Room, First Floor, Lot PTD 25740, Batu 4, Jalan Air Hitam, 83700 Yong Peng, Johor on Friday, 29 May 2026, at 11.30 a.m. or any adjournment thereof, and to vote as indicated below:

| Item | Agenda | | | |
|------|--|-----------------------------------|------------|----------------|
| 1. | To receive the Audited Financial Statements of the Company and of the Group and the Reports of the Directors and the Auditors thereon for the financial year ended 31 December 2025. | | | |
| | Resolutions | Ordinary Resolution ("OR") | FOR | AGAINST |
| 2. | To approve the payment of Directors' fees up to an amount of RM242,400 for the period from 30 May 2026 until the next Annual General Meeting of the Company to be held in 2027. | OR1 | | |
| 3. | To approve the payment of Directors' Benefits up to an amount of RM92,600 for the period from 30 May 2026 until the next Annual General Meeting of the Company to be held in 2027. | OR 2 | | |
| 4.1 | To re-elect Loh Wee Ching who retires pursuant to Clause 76(3) of the Constitution of the Company. | OR 3 | | |
| 4.2 | To re-elect Goh Wen Ling who retires pursuant to Clause 76(3) of the Constitution of the Company. | OR 4 | | |
| 5. | To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. | OR 5 | | |
| 6. | Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016. | OR 6 | | |
| 7. | Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature. | OR 7 | | |
| 8. | Proposed renewal of authorisation to enable the Company to purchase up to 10% of the total number of issued shares of the Company. | OR 8 | | |

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this: _____ day of _____

Signature*
Member

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- (i) For the purpose of determining a member who shall be entitled to attend and vote at the Twentieth Annual General Meeting ("20th AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 22 May 2026. Only a member whose name appears on the Record of Depositors as at 22 May 2026 shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (ii) A member entitled to attend and vote at the 20th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (iii) A member of the Company who is entitled to attend and vote at the 20th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at this AGM.
- (iv) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (v) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (vi) 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 is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of Central Depositories Act.
- (vii) Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

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(viii) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 20th AGM, i.e. by 11.30 a.m. on Wednesday, 27 May 2026 or adjourned 20th AGM at which the person named in the appointment proposes to vote:

- (i) In Hard Copy Form
In the case of an appointment made in hard copy form, the proxy form or any authority pursuant to which such an appointment is made by a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, it can be deposited in the designated drop box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) By Electronic Means
In the case of an appointment made via electronic means, the proxy form can be electronically submitted to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>. (Kindly refer to the Administrative Guide for the 20th AGM).
- (ix) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (x) Last date and time for lodging the proxy form is 11.30 a.m., on Wednesday, 27 May 2026.
- (xi) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
- (xii) For a corporate member who has appointed a representative instead of a proxy to attend the 20th AGM, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's Share Registrar earlier.

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TEO SENG CAPITAL BERHAD

The Share Registrar

c/o Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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