ANNUAL REPORT 2024

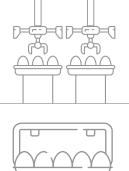


Registration No. 200601013011 (732762-T)











HATCHING FOR THE FUTURE





KEY PARTNER



































力 馬 藥 業 有 限 公 司

Ritma Prestasi Sdn Bhd (Reg. No. 200301026590)

Tel: +603-8066 9010 | Fax: +603-8066 9012 | www.ritmapres.com



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19TH ANNUAL GENERAL MEETING

Venue:

Teo Seng Capital Berhad Conference Room, First Floor, Lot PTD 25740, Batu 4, Jalan Air Hitam, 83700, Yong Peng, Johor

Date:

Wednesday, 28 May 2025

Time:

11.30 a.m.



To access our Annual Report, please download the QR code reader to your smartphone by scanning this QR Code.



EVENTS HIGHLIGHT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024



Academia Enterprise Partnership @ TARUMT



Happy Egg 'Jom! Beli & Menang' Contest 2.0



Loveabowl Brand Launching @ Mori Kohi Cafe



Ritma Livestock Symposium

January 2024

February 2024

March 2024

May 2024

June 2024



Pet Expo Malaysia @ Mid Valley Exhibition Centre



EVENTS HIGHLIGHT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024



Corporate Award 2024 by The Edge Malaysia Centurion Club Highest Growth in Profit After Tax over 3



Merdeka Move: Zumba for Unity & Fitness @ HQ



Understanding EPF Savings & Retirement Planning Briefing by KWSP @ HQ



Zumba, Milo & Good Vibes: Hi-Friday's Anniversary Celebration @ HQ



iFood Expo @ Mid Valley Southkey



Christmas Zumba Festive Moves @ HQ

July 2024

August 2024

September 2024

October 2024

November 2024

December 2024

Teo Seng 3X3 Badminton Championship



Ekspo Kucing @ World Trade Centre, KL



Student Seeding Programme @ UMK



Vaxxiknowledge Workshop @ UPM



INTEGRATED & SUSTAINABLE



Advanced and tailor made formulation



1st PEFC eco-friendly egg trays



Animal health care with quality products & customised solution



WHAT WE DO

The principal activities of Teo Seng's subsidiaries are poultry farming and marketing of chicken eggs, manufacturing and marketing of animal feeds, egg trays, organic fermented fertiliser, and distribution of pet food & medicine and animal health products.

In summary, the products that are produced, marketed and distributed by Teo Seng can be categorised into five (5) main categories, namely chicken eggs, animal feeds, paper egg trays, organic fermented fertiliser and animal health products.





EGG PROCESSING DIVISION



INTEGRATED & SUSTAINABLE





HQ & CENTRAL PACKAGING STATION 2

Boiled Eggs

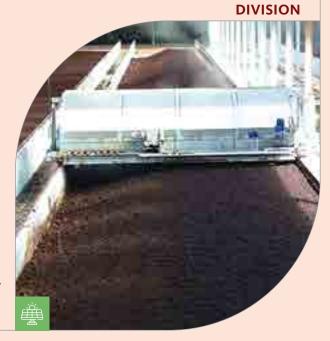








Convert chicken manure into organic fertiliser by way of composting





FERTILISER

6

CORPORATE MILESTONES



After Tax Over Three Years"

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman **Lau Jui Peng**

Managing Director
Nam Hiok Joo

Executive Director Loh Wee Ching

Independent Non-Executive
Director
Lim Huey Hean
Lim Ying Khoo

AUDIT COMMITTEE

Committee Chairperson **Lim Ying Khoo**

Committee Member Lim Huey Hean Goh Wen Ling

NOMINATION COMMITTEE

Committee Chairperson **Goh Wen Ling**

Committee Member Lim Huey Hean Lim Ying Khoo

REMUNERATION COMMITTEE

Committee Chairman **Lim Huey Hean**

Committee Member Lim Ying Khoo Goh Wen Ling

RISK MANAGEMENT COMMITTEE

Committee Chairman
Nam Hiok Joo

Committee Member
Lim Huey Hean
Lim Ying Khoo

KEY MANAGEMENT PERSONNEL

Ng Eng Leng Group Finance Director

Na Eluen Chief Marketing Officer, Layer Farming Division

Na Yi Chan Chief Operating Officer,

Chief Operating Officer, Layer Farming Division

Nam Ya Jun Executive Director, Animal Health Products Division

Ku Leong Choon Farm General Manager

SECRETARIES

Lee Choon Seng

Goh Wen Ling

(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

AUDITORS

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Level 15-1, Tower B, Jaya 99, 99 Jalan Tun Sri Lanang, 75720 Melaka.

PRINCIPAL BANKERS

Hong Leong Bank Berhad AmBank (M) Berhad Bangkok Bank Berhad OCBC Bank (Malaysia) Berhad CIMB Bank Berhad

CORPORATE WEBSITE

www.teoseng.com.my

REGISTERED OFFICE

201-203, Jalan Abdullah, 84000 Muar,

Johor Darul Takzim. Tel: 06-9519992

Fax : 06-9555419 Email : tscb@teoseng.com.my

HEAD OFFICE

Lot PTD 25740, Batu 4, Jalan Air Hitam, 83700 Yong Peng, Johor Darul Takzim.

Tel : 07-4672289 Fax : 07-4672923

REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Registration No. 197101000970 (11324-H) Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

Tel : 03-27839299 Fax : 03-27839222

Email: is.enquiry@vistra.com

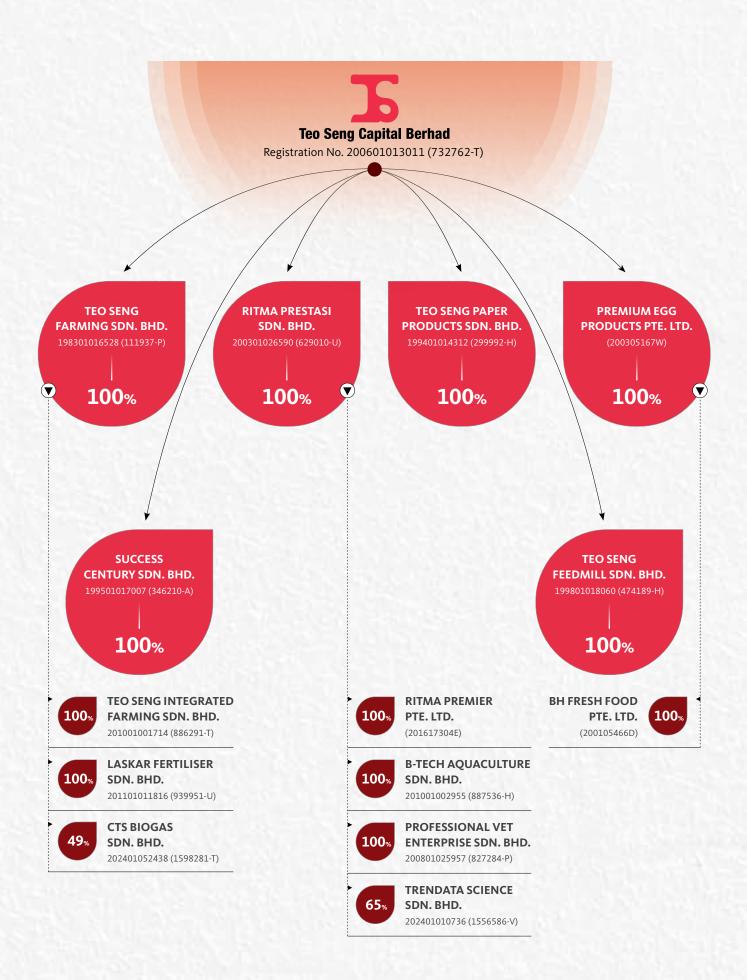
STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad (Main Market)

DATE OF LISTING

29 October 2008

GROUP CORPORATE STRUCTURE



BOARD OF DIRECTORS, KEY MANAGEMENT PERSONNEL & COMPANY SECRETARIES





- 1. **Lee Choon Seng**Company Secretary
- 2. **Na Yi Chan**Chief Operating Officer,
 Layer Farming Division
- 3. **Ng Eng Leng**Group Finance Director
- Nam Ya Jun
 Executive Director,
 Animal Health Products Division
- Na Eluen
 Chief Marketing Officer,
 Layer Farming Division
- 6. **Ku Leong Choon** Farm General Manager
- 7. **Lum Sow Wai**Company Secretary

Sitting (From Left to Right)

- Lim Ying Khoo
 Independent Non-Executive
 Director
- 2. **Lim Huey Hean**Independent Non-Executive
 Director
- 3. **Nam Hiok Joo**Managing Director
- 4. **Lau Jui Peng** Executive Chairman
- 5. **Loh Wee Ching** Executive Director
- 6. **Goh Wen Ling**Independent Non-Executive
 Director

LAU JUI PENG

Executive Chairman

Gender: Male

Age: **54**

Nationality: Malaysian

Date of Appointment: 19 June 2008

Length of Service: (as at 31 December 2024) **16 years 6 months**



Lau Jui Peng was appointed as the Non-Executive Chairman of the Company on 19 June 2008 and presently Executive Chairman, redesignated on 15 November 2022. Mr. Lau acts as the representative of Leong Hup (Malaysia) Sdn. Bhd. to sit on the Board of Directors of the Company.

Mr. Lau graduated with a Bachelor's Degree in Business Administration, majoring in Marketing, from Hawaii Pacific University, United States, in 1996. He began his career at Leong Hup Poultry Farm Sdn. Bhd. as Deputy Chief Executive Officer, overseeing production, operations, and administration. He was later promoted to Chief Executive Officer, he actively contributed to Leong Hup (G.P.S.) Farm Sdn. Bhd. Mr. Lau joined the Board of Leong Hup Poultry Farm Sdn. Bhd. in 2004 and the Board of Leong Hup (G.P.S.) Farm Sdn. Bhd. in 2007, both are subsidiaries of Leong Hup International Berhad. He also serves on the Boards of several subsidiaries of Leong hup International Berhad and various private limited companies. He does not hold any directorship in other public listed companies. In July 2024, he relinquishes the position of Group Breeder Chief Executive Officer at Leong Hup International Berhad to focus on the operation of Company.

Mr. Lau, an accomplished businessman with comprehensive knowledge and vast experience in the production and management of the poultry industry, is well-positioned to drive the Company's growth. Furthermore, he served as a member of the Audit Committee from 2009 to 2012. During his four-year tenure, Mr. Lau developed a sharp and intuitive understanding of internal control systems, enhancing his ability to contribute to the Company's governance and operational oversight.

Mr. Lau together with his siblings, Datuk Lau Joo Hong and Mr. Lau Joo Heng are the indirect major shareholders of the Company. Except for certain related party transactions of revenue nature which are necessary for the day-to-day operation of the Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with the Company in which he has personal interests. Mr. Lau has no conviction of any offences within the past five (5) years or any sanctions and penalties imposed by relevant regulatory bodies in the financial year ended 31 December 2024. Mr. Lau had attended all of the six (6) Board of Directors' meetings held in the financial year ended 31 December 2024.

NAM HIOK JOO

Managing Director

Gender: Male

Age: **58**

Nationality: Malaysian

Date of Appointment: **27 June 2018**

Length of Service: (as at 31 December 2024) **6 years 6 months**





Nam Hiok Joo was appointed as Managing Director of the Company on 27 June 2018. He is also the Chairman of the Risk Management Committee of the Company since 20 August 2018.

Mr. Nam possesses over thirty (30) years of experience in the poultry business and has been actively involved in the poultry industry. In 2001, he assumed the role of General Manager at Teo Seng Feedmill Sdn. Bhd., where his primary responsibilities include overseeing the operation and production of chicken feeds. With his extensive experience, he ensures quality control of feed production, meeting the nutritional requirements of chickens at various growth and laying stages. Additionally, Mr. Nam is responsible for overseeing the Group's administrative operations, managing key functions such as human resources, administration, and coordination across departments to ensure operational efficiency and support for the Group's objectives.

In 2005, he was appointed as Executive Director of Ritma Prestasi Sdn. Bhd. ("Ritma"), later ascending to Managing Director, where he actively contributes to Ritma's management and strategic direction. In March 2010, he assumed the role of Group General Manager of the Company. Leveraging his vast experience in managing and overseeing the Company's operations, Mr. Nam plays a significant role in the Group's decision-making, corporate planning, and governance of the Company's direction. He also holds directorship position on the Boards of various private limited companies. He does not hold any directorship in other public listed companies.

Mr. Nam is the sibling of Mr. Na Hap Cheng and Mr. Na Yok Chee who are the indirect major shareholders of the Company. He is the uncle of Mr. Na Eluen, Chief Marketing Officer, Layer Farming Division, Mr. Na Yi Chan, Chief Operating Officer, Layer Farming Division and Mr. Nam Ya Jun, Executive Director, Animal Health Products Division. Except for certain related party transactions of revenue nature which are necessary for the day-to-day operation of the Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with the Company in which he has personal interests. Mr. Nam has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies in the financial year ended 31 December 2024. Mr. Nam had attended all of the six (6) Board of Directors' meetings held in the financial year ended 31 December 2024.

LOH WEE CHING

Executive Director

Gender: Male

Age: **56**

Nationality: Malaysian

Date of Appointment: 19 June 2008

Length of Service: (as at 31 December 2024)

16 years 6 months



Loh Wee Ching was appointed as the Non-Executive Director of the Company on 19 June 2008 and redesignated as Executive Director on 17 November 2020. He was also a former member of both Nomination Committee and Remuneration Committee of the Company.

Prior to joining the Group, Mr. Loh served as a Marketing Executive at Telic Corporation Sdn. Bhd., a diversified company with interests in the poultry business. In 1994, he embarked on his career with Teo Seng Farming Sdn. Bhd. ('TSF') as Sales Manager, advancing to Senior Marketing Manager in 2003. With over twenty (20) years of service, Mr. Loh has cultivated strong and enduring relationships with customers. Currently, he holding the position of Marketing Director in the layer farming division, his extensive experience enables him to offer invaluable guidance to the marketing team. Mr. Loh plays a significant role in shaping the Group's marketing strategies and business direction, driving innovative campaigns, identifying market opportunities and aligning promotional efforts with the Group's long-term goals to enhance its competitive edge and business growth.

Mr. Loh does not hold any directorship in other public listed companies nor have any family relationship with any Director or major shareholder of the Company. Except for certain related party transactions of revenue nature which are necessary for the day-to-day operation of the Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangement with the Company in which he has personal interest. Mr. Loh has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies in the financial year ended 31 December 2024. He had attended all of the six (6) Board of Directors' meetings held in the financial year ended 31 December 2024.

LIM HUEY HEAN

Independent Non-Executive Director

Gender: Male

Age: **53**

Nationality: Malaysian

Date of Appointment: **26 May 2022**

Length of Service: (as at 31 December 2024) 2 years 7 months





Mr. Lim pursued his studies at HELP Institute and graduated with a Bachelor of Science in Economics (Hons) degree from the University of London in 1995. In 2005, he became an Associate Member of the Institute of Internal Auditors Malaysia ('IIA Malaysia'). With over 20 years of experience in the capital market and financial services industry, he began his career in 1995 as an Internal Auditor with MBF Finance Berhad. Subsequently, he held positions as a remisier at Jupiter Securities Sdn. Bhd., Senior Audit Officer at EON Bank Berhad and Senior Finance Executive at American Home Assurance. Additionally, he also gained internal audit experience in the fast-moving consumer goods ('FMCG') industry with companies such as Fraser & Neave Holdings Berhad and Malayan Flour Mills Berhad. During his tenure as an internal auditor, he was tasked with leading audit engagements and managing projects, which involved developing audit plans, schedules and determining technical approaches for audit assignments.

In 2006, Mr. Lim joined the Securities Commission Malaysia ("SC") as a regulator. During his tenure with the SC, he served in the Authorisation & Licensing Department, Market Surveillance Department and Investigation Department. His responsibilities included conducting surveillance activities on the capital market, undertaking enforcement actions against capital market offences such as market manipulation and insider trading, and performing compliance monitoring for licensed entities.

Subsequently, Mr. Lim joined Standard Chartered Bank (Malaysia) Berhad in 2018 as Team Leader for Trade Surveillance and Audit Manager for Group Internal Audit. He was involved in conducting risk assessments on banking operations and functions, and led a team of six analysts in the Trade Surveillance Department.

Mr. Lim later joined a boutique financial services company in 2020 as Associate Director - Operations & Risk Management. He was responsible for overseeing the compliance functions of the group, which includes subsidiaries such as Investment Bank (Labuan) and Money Exchange. His responsibilities encompassed, among others, establishing the risk management framework, formulating and communicating risk policies and processes, developing critical metrics to monitor regulatory compliance and reporting, and conducting compliance audits.

Mr. Lim does not hold any directorship in other public listed companies and does not have any family relationship with any Director/major shareholder of the Company. There is no conflict of interest between Mr. Lim and the Company. Mr. Lim has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2024. Mr. Lim had attended all of the six (6) Board of Directors' meetings held in the financial year ended 31 December 2024.

LIM YING KHOO

Independent Non-Executive Director

Gender: Female

Age: 47

Nationality: Malaysian

Date of Appointment: **26 May 2022**

Length of Service: (as at 31 December 2024) **2 years 7 months**



Lim Ying Khoo was appointed as Independent Non-Executive Director of the Company on 26 May 2022. In addition, she was also appointed as Chairperson of the Audit Committee and a member of the Nomination Committee, Remuneration Committee and Risk Management Committee of the Company on 26 May 2022.

Ms. Lim graduated with a Bachelor of Business in Accounting from La Trobe University, Australia, in 1999. She became a member of the Certified Practising Accountants (Australia) in 2004, the Malaysian Institute of Accountants ("MIA") in 2005, and the Chartered Tax Institute of Malaysia ("CTIM") in 2009. Additionally, she is a qualified licensed tax agent under Section 153(3) of the Income Tax Act 1967.

Ms. Lim began her career as an audit assistant at Kassim Chan & Co (now known as Deloitte) upon graduating in 2000. In addition to her audit experience, she expanded her expertise into taxation by joining Deloitte Kassim Chan & Co Tax Services in 2003. Currently, she serves as the Director of SC Chua Tax Services Sdn. Bhd., SC Chua Management Services Sdn. Bhd., and All Is Wealth Management Sdn. Bhd. which provides professional services in tax consultancy and planning, company secretarial and accounting services respectively.

Ms. Lim possesses over 20 years of experience in accounting, company secretarial and taxation matters. Throughout her career, she has frequently liaised with the Inland Revenue Board of Malaysia ("IRB") and the Companies Commission of Malaysia ("CCM"). Her extensive involvement across various professional domains has shaped her into a well-rounded advisor, enabling her to offer valuable insights to the Group, particularly on audit and tax-related issues, thereby supporting the Group in making informed financial decisions.

Ms. Lim does not hold any directorship in other public listed companies and does not have any family relationship with any Director/major shareholder of the Company. There is no conflict of interest between Ms. Lim and the Company. Ms. Lim has no conviction of any offences within the past five (5) years or any sanctions and penalties imposed by relevant regulatory bodies duirng the financial year ended 31 December 2024. Ms. Lim had attended all of the six (6) Board of Directors' meetings held in the financial year ended 31 December 2024.

GOH WEN LING

Independent Non-Executive Director

Gender: Female

Age: **45**

Nationality: Malaysian

Date of Appointment: **26 May 2022**

Length of Service: (as at 31 December 2024) 2 years 7 months



Goh Wen Ling was appointed as Independent Non-Executive Director of the Company on 26 May 2022. In addition, she was also appointed as Chairperson of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company on 26 May 2022

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

Ms. Goh commenced her professional career in 2002 at Messrs. Shook Lin & Bok as an associate in the Intellectual Property Department. During her tenure at Messrs. Shook Lin & Bok, she primarily focused on intellectual property litigation, advising and assisting businesses with the registration of patents, trademarks and industrial designs, as well as providing general advisory services related to intellectual property rights. In 2003, she established her own event management company, Aldrea Dream Media Sdn. Bhd. Through the experience of founding a business, addressing clients' needs and navigating various challenges, Ms. Goh has honed her ability to understand client requirements and developed strong problem-solving skills.

Ms. Goh returned to law practice in 2004 and she was designated as junior partner. She currently heads the conveyancing, corporate and banking department in Andrew T.S. Goh & Khairil, overseeing a wide range of legal matters and providing strategic counsel to clients. With over twenty (20) years of experience in the legal industry, Ms. Goh possesses the expertise and a deep understanding of corporate law, regulatory compliance and risk management enabling her to offer insightful and effective advice on the Group's affairs from a legal perspective.

Ms. Goh also sits as Independent Director on the Board of Leong Hup International Berhad, MYMBN Berhad and PCCS Group Berhad. She does not have any family relationship with any Director/major shareholder of the Company. There is no conflict of interest between Ms. Goh and the Company. Ms. Goh has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2024. Ms. Goh had attended all of the six (6) Board of Directors' meetings held in the financial year ended 31 December 2024.

PROFILE OF THE KEY MANAGEMENT PERSONNEL





Group Finance Director

Gender: Male

Age: 54

Nationality: Malaysian



NA ELUEN

Chief Marketing Officer, Layer Farming Division Gender: Male

Age: 42

Nationality: Malaysian



Ng Eng Leng has been serving as the Director of Teo Seng Farming Sdn. Bhd. since March 2002. He was appointed as the Group Financial Controller of the Company in March 2010 and was subsequently redesignated as Group Finance Director on 3 January 2024. In addition, Mr. Ng is a member of the Sustainability Steering Committee reporting to the Audit Committee and serves as the Risk Manager, leading the Group Risk Management Team reporting to the Board's Risk Management Committee. He holds an Executive Master in Business Management, majoring in finance from Asia e University (2012) and Master of Business Administration from Buckinghamshire New University, UK (2014).

Mr. Ng is primarily responsible for overseeing the Group's financial affairs, corporate matters, and administrative functions. Through years of dedicated work in the private corporate sector, he has accumulated extensive knowledge and experience in accounting, cost management, taxation, internal control systems, acquisitions and corporate finance.

Through his extensive tenure, including senior management roles within the Group, Mr. Ng has garnered considerable exposure and vast experience in crucial areas such as financial affairs, corporate matters, and administration. His in-depth knowledge positions him as a pivotal advisor to the Board; actively contributing to decision-making and corporate planning for the Group. The Group's success significantly reflects his extensive involvement in operations and management. In addition, he serves as a board member for several subsidiaries of the Company, via his strategic insights contribute to aligning the subsidiaries' objectives with the Group's long-term growth plans.

Mr. Ng does not have any family relationship with any Director/major shareholder of the Company. There is no conflict of interest between Mr. Ng and the Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2024.



Na Eluen was appointed on 1 January 2018, and promoted to Chief Marketing Officer, Layer Farming Division on 3 January 2024. With over 20 years of experience in sales, marketing and business development, he brings a wealth of expertise to his roles.

Beginning his career as a Junior Sales in 2003, Mr. Na's career path reflects his earnest dedication and hard work. From Teo Seng Farming Sdn. Bhd. to Ritma Prestasi Sdn. Bhd., he navigated various roles diligently, earning promotions along the way. In 2011, he assumed the responsibilities of General Manager for Premium Egg Products Pte. Ltd. and BH Fresh Food Pte. Ltd., contributing to growth and development of business operations in Singapore.

Since 2016, Mr. Na has served as the Director of Premium Egg Products Pte. Ltd. and BH Fresh Food Pte. Ltd. In 2018, upon his appointment as the Deputy Chief Operating Officer, Marketing, Layer Farming Division, he returned to Malaysia, marking a new chapter for the Group. He led sales and marketing initiatives, focusing on developing direct selling strategies and expanding retail businesses. Under his guidance, distribution centres were established across Northern, Southern and the East Coast of Malaysia. This has not only increased market share but, more importantly, made it easier for local residents to access and enjoy our egg products.

In his current role as Chief Marketing Officer, Layer Farming Division, Mr. Na oversees the planning, execution and measurement of all sales and marketing activities, both domestically and overseas. His responsibilities include brand building and supervision of the Logistic Department. His extensive knowledge and experience in marketing and operational management has significantly contributed to the overall value of the team.

Mr. Na Eluen is the nephew of the Company's Managing Director, Mr. Nam Hiok Joo, and indirect major shareholder, Mr. Na Yok Chee. He is the son of Mr. Na Hap Cheng, indirect major shareholder of the Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2024.

PROFILE OF THE KEY MANAGEMENT PERSONNEL



NAYICHAN

Chief Operating Officer, Layer Farming Division Gender: Male

Nationality: Malaysian

Age: **36**



NAM YA JUN

Executive Director,
Animal Health Products
Division

Gender: Male

Age: 43

Nationality: Malaysian



Na Yi Chan was appointed as Deputy Chief Operating Officer of Layer Farming Division since 1 January 2018 and be promoted as Chief Operating Officer, Layer Farming Division on 3 January 2024. Mr. Na is also appointed as Chairman of the Group's Sustainability Steering Committee reporting to the Audit Committee on 21 November 2023.

Mr. Na studied business management degree programme at HELP University and College. He began his career with the Teo Seng Group as a Production Administrator on 14 January 2011, managing layer farming production. He was promoted to Assistant Operation Manager in 2012, followed by Operation Manager in 2014. In 2015, he was appointed Business Operation Manager. Beyond overseeing the production aspects of layer farming, Mr. Na actively participates in local and international seminars and conferences, keeping up-to-date with the latest trends and technologies in the poultry industry. His extensive exposure and experience in the sector has sharpened his industry knowledge and management skills.

As the Chief Operating Officer of the Layer Farming Division, Mr. Na provides strategic direction and leadership in guiding layer farming production, farm management, organic fertiliser production, and other related operations. He also serves on the Boards of subsidiaries within the Group, namely Teo Seng Farming Sdn. Bhd. and Success Century Sdn. Bhd. In this capacity, he plays a pivotal role in driving the growth of the layer farming business. He directs, oversees and manages the implementation of farm-related policies and development initiatives. Mr. Na is a key driving force behind the expansion and operations of the Group's layer farming activities. His expertise in layer farming production, management and operations enable him to make good contributions to the Group's business.

Mr. Na is the nephew of the Company's Managing Director, Mr. Nam Hiok Joo, and indirect major shareholder, Mr. Na Hap Cheng. He is the son of Mr. Na Yok Chee, indirect major shareholder of the Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2024.



Nam Ya Jun serves as the Executive Director of Ritma Prestasi Sdn. Bhd. ("Ritma"), a subsidiary engaged in the distribution of animal healthcare products in Malaysia. He graduated with a First-Class Honours Degree in Science from Victoria University of Wellington, New Zealand in 2004. Mr. Nam commenced his career with the Teo Seng Group on 1 July 2005 as an Executive in the Human Resources and Administrative Department. Initially, he was tasked with overseeing the Group's human resources and administrative functions, while also dedicating efforts to developing a structured business system for Ritma. As a result of his efforts, he was subsequently promoted to Group Assistant Manager.

In 2011, Mr. Nam was promoted to General Manager of Ritma. In this capacity, he oversaw Ritma's daily operations, with a focus on business development and operational strategies. Under his leadership, Ritma emerged as a competitive player in the industry, securing partnerships with prominent global animal healthcare providers over the years. Reflecting his commitment, the company expanded its operations to Singapore through the incorporation of Ritma Premier Pte. Ltd. in 2016 and to East Malaysia with the acquisition of Professional Vet Enterprise Sdn. Bhd. in 2019.

On January 31, 2018, Mr. Nam assumed the role of Executive Director at Ritma. Under his leadership, the Group's Animal Health Products & Consumables Division witnessed substantial growth, driven by innovative marketing approaches and strategic business initiatives. Throughout his tenure, Mr. Nam orchestrated comprehensive restructuring and innovation efforts within the company, effectively navigating market dynamics and sustaining annual growth amidst economic challenges. Leveraging his profound expertise in corporate management, he made pivotal contributions to the advancement of the Group's diverse business portfolio.

Mr. Nam is the nephew of the Managing Director, Mr. Nam Hiok Joo and the indirect major shareholders of the Company, Mr. Na Hap Cheng and Mr. Na Yok Chee. Mr. Nam has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2024.

PROFILE OF THE KEY MANAGEMENT PERSONNEL



KU LEONG CHOON

Gender: Male

Age: **58**

Farm General Manager

Nationality: Malaysian

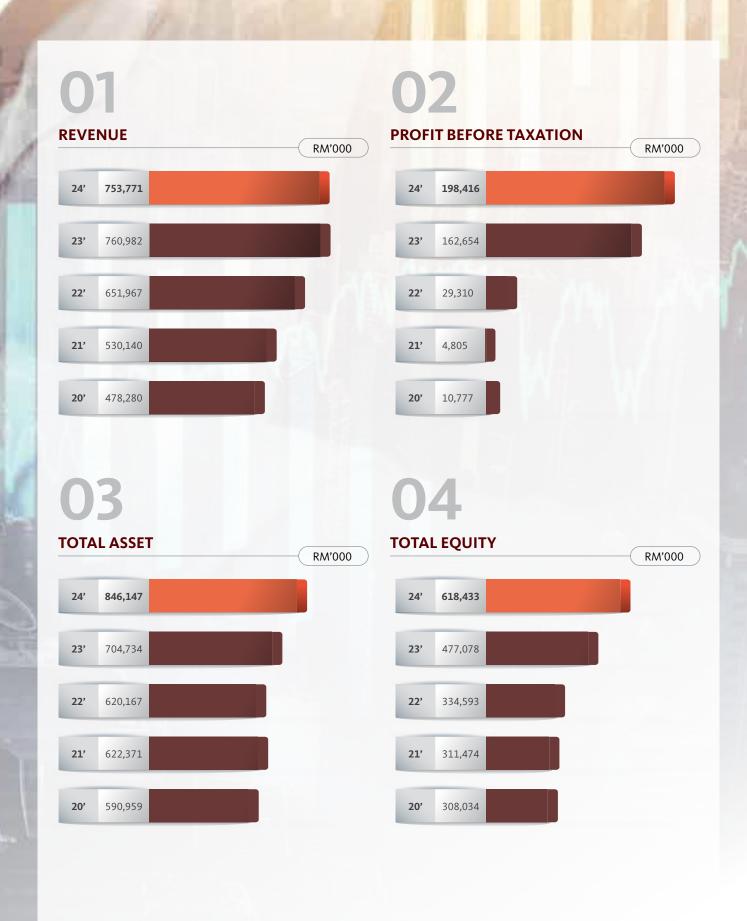


Ku Leong Choon is holding the position of Farm General Manager since March 2002. In 1987, Mr. Ku initiated his career with Teo Seng Group as a farmworker. He was later promoted to Farm Manager in 1995 and Senior Farm Manager in 2002.

Mr. Ku possesses over 30 years of experience in farm operations. His primary responsibilities include supervising and coordinating various functions of farm managers, overseeing overall farm operations and ensuring a conducive environment within the poultry farms. He also supports the Chief Operating Officer of Layer Farming Division in managing daily farm operations. Leveraging his extensive and robust experience, Mr. Ku provides valuable advice to management and guidance to relevant farm personnel on matters related to operations and production.

Mr. Ku does not have any family relationship with any Director/major shareholder of the Company. There is no conflict of interest between Mr. Ku and the Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2024.

FINANCIAL HIGHLIGHTS



GROUP BUSINESS AND OPERATION

Teo Seng Group's humble journey as a layer farmer began in 1983. Through dedication and perseverance for the past 40 years, we are now a leading integrated poultry player in Malaysia with headquartered in Yong Peng, Johor. Our mission is to innovate a diverse range of egg products that cater to the needs of different consumer groups while staying ahead of industry trends. We aim to develop a fully-integrated layer farming system that incorporates advanced technologies and knowledge to maintain a competitive edge. Looking ahead, our vision is to enhance the sustainability of our business by prioritising cost-effectiveness and developing corporate values that align with our long-term objectives, driving both operational efficiency and innovation for continued growth.

MANAGEMENT DISCUSSION AND ANALYSIS

KEY HIGHLIGHTS OF 2024

KEY ACHIEVEMENTS OF 2024

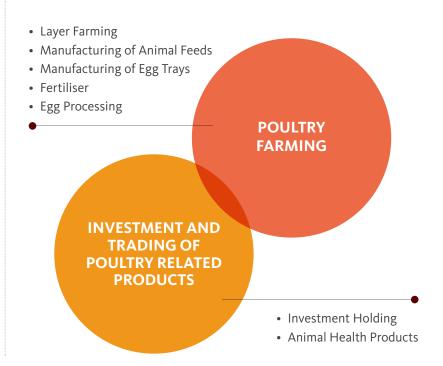


Winner of The Edge Malaysia

Centurion Club Corporate Award 2024

Under Consumer Products & Services sector – Highest Growth in Profit After Tax Over Three Years

- Bonus issue of
 1 for 1 to reward
 shareholders
- Record breaking
 Profit After Tax ("PAT")
 of RM183.4
 million





Our business activities categorised into poultry farming and the investment and trading of poultry-related products; our integrated layer farming includes feedmill division, paper egg tray division, fertiliser division, egg processing division and animal health product division; all of which complement each other and strengthen our competitive advantages. Meanwhile, our trading of poultry-related products benefits from the growing trend of pet ownership in Malaysia, where its contribution has been increasing over the years.

Teo Seng Group remains committed to innovation, sustainability and excellence in the poultry industry. By leveraging our integrated farming system, advanced technologies and strong corporate values, we are well-positioned to meet the evolving needs of our consumers and contribute to the development of Malaysia's agricultural sector. Focusing on long-term sustainability and operational efficiency, we strive to create value for our stakeholders while maintaining our position as a trusted leader in the industry. Together, we are building a future that is not only prosperous but also sustainable for generations to come.

POULTRY FARMING

Our poultry farming operations are built on a foundation of excellence, innovation and sustainability. With 24 farms strategically located to optimise production and distribution, we have established ourselves as a key player in the poultry industry in both Malaysia and Singapore. Each of our farms operates under modern farming practices, including the All-In-All-Out ("AIAO") system and the Closed-House system ("CHS"), ensuring the highest standards of biosecurity and operational efficiency. Our commitment to quality and best practices has been recognised with various prestigious certifications, including the Grade A Poultry License and Malaysia Good Agricultural Practice ("MyGAP") accredited by Department of Veterinary Services Malaysia. These accolades reflect our dedication to maintaining world-class standards in poultry farming. Furthermore, our farms have been certified by the Singapore Food Agency ("SFA"), allowing us to export our eggs to Singapore. This certification does not only highlight our adherence to stringent international food safety and quality standards but also opens up significant opportunities for growth in the export market.

Our company operates as a fully integrated layer farming business, supported by a robust ecosystem.



Through continuous innovation, sustainable practices and focusing on quality, we are proud to contribute to the advancement of the poultry industry while meeting the growing demand for safe and high-quality poultry products.

Our Company operates as a fully integrated layer farming business, supported by a robust ecosystem of complementary divisions that ensure end-to-end control over quality, cost and sustainability. This integration allows us to maintain a competitive edge in the industry while delivering consistent value to our customers.

Our in-house feedmill division plays an important role in ensuring the health and productivity of our poultry. By producing high-quality, nutritionally balanced feed tailored to the specific needs of our chicken, we are able to optimise egg production and maintain the overall well-being of our chicken. This vertical integration not only reduces dependency on external suppliers but also ensures cost efficiency and consistent feed quality.

To support our egg production, we have established a dedicated paper egg tray manufacturing division. This division produces ecofriendly and durable egg trays that are essential for the safe storage and transportation of eggs. By producing our own egg trays, we minimise logistical challenges, reduce costs and ensure that our eggs reach customers in the best condition. Worth noting that our paper egg trays are certified with Chain of Custody ("CoC") under Programme for the Endorsement of Forest Certification ("PEFC").

Sustainability is at the core of our operations and our waste management division exemplifies this commitment. Utilising poultry waste, we produce organic fertilisers that are both environmental friendly and highly effective for agricultural use. This not only helps us manage waste responsibly but also creates an additional revenue stream while contributing to sustainable farming practices.

Beyond these core operations, we have strategically expanded into value-added activities, including egg processing and old hen slaughtering. Egg processing allows us to diversify our product range by offering boiled egg product, catering to the growing demand from food & beverages ("F&B") industry. This not only extends the shelf life of our eggs but also adds significant value to our business. Similarly, the slaughtering of old hens is a crucial part of our operations. Once hens reach the end of their productive laying cycle, they are processed into high-quality meat products, ensuring minimal waste and maximising resource utilisation. We are in the

progress of establishing our own slaughtering plant and targeted to commence operation in year 2025. This practice not only generates additional revenue streams but also aligns with our commitment to sustainability by utilising every part of the layer responsibly. Together, these value-added activities enhance our competitiveness, contribute to a more sustainable business model and allow us to meet the diverse needs of our customers.

INVESTMENT AND TRADING OF OTHER POULTRY RELATED PRODUCTS

As the distributor of animal health products in Malaysia and Singapore, our Company holds a unique and strategic position in the region's animal health industry. This exclusive distribution rights enable us to deliver high-quality, innovative and reliable animal health solutions to a wide range of customers, including veterinarians, farmers and pet owners. Our operations are supported by two dedicated teams: the Food Animal Strategic Team ("FAST") and the Companion Animal Strategic Team ("CAST"), which cater to the distinct needs of farm animals and companion animals, respectively. FAST focuses on providing tailored health solutions for farm animals, including poultry and other livestock. By working closely with farmers and agricultural businesses, FAST ensures the health and productivity of food-producing animals, which is critical to sustaining the food supply chain and supporting the agricultural economy in the region. CAST is dedicated to addressing the needs of pet animals, offering a comprehensive range of health products and services for pets such as dogs, cats and other companion animals. With the growing trend of pet ownership and increasing awareness of pet health, CAST plays a vital role in enhancing the well-being of pets and strengthening the bond between pets and their owners. Our Company boasts a diverse product portfolio that covers a wide spectrum of animal health needs. From vaccines, pharmaceuticals and nutritional supplements to hygiene and wellness products, we are committed to delivering innovative and effective solutions. This diversity allows us to serve a broad customer base and also positions us as a one-stop provider for all animal health-related needs. One of our key strategic objectives is to strengthen our brand awareness in the animal health industry. We aim to achieve this by leveraging our exclusive distribution rights, expanding our market reach and enhancing customer engagement through targeted marketing campaigns and educational initiatives. By building a stronger brand presence, we seek to solidify our reputation as a trusted and reliable partner in animal health across Malaysia and Singapore.

FINANCIAL PERFORMANCE REVIEW

Key Financial Result	2023 (RM'000)	2024 (RM'000)	Change (RM'000)	Change (%)
Revenue	760,982	753,771	(7,211)	(0.95)
Finance Cost	7,805	5,221	(2,584)	(33.11)
Profit Before Tax	162,654	198,416	35,762	21.99
Profit After Tax	155,803	183,361	27,558	17.69
Gearing ratio (times)	0.24	0.16	(0.08)	(33.33)
Net asset/share (RM)*	1.63	1.04	(0.59)	(36.20)
Current ratio (times)	2.16	2.48	0.32	14.81
Return on equity (%)	32.66	29.65	(3.01)	(9.22)
Basic earnings per share (cents)**	53.07	30.97	(22.10)	(41.64)

- * The lower net asset per share in financial year ended 2024 is impacted by issuance and allotment of 300,008,175 new ordinary shares through bonus issue exercise.
- ** The lower basic earnings per share in financial year ended 2024 is impacted by the updated weighted average number of ordinary shares after completion of issuance and allotment of 300,008,175 new ordinary shares through bonus issue exercise.

The Company had via its Extraordinary General Meeting held on 27 November 2024, obtained shareholders' approval for the Bonus Issue on the basis of one (1) bonus share for every one (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.

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CAPITAL EXPENDITURE AND STRUCTURE

For the financial year 2024, total capital expenditure of RM103.9 million was incurred mainly for the following projects:

- 01 Land acquisition for expansion
- O2 Expansion on the capacity of layer farming activity
- 03 Upgrading of existing farm facilities and equipment
- Installation of solar photovoltaic system for renewable energy generation used for daily operation
- 05 Expansion on the farm waste management
- O6 Construction of old hen processing plant
 - New egg grading machine for expansion of grading capacity of central packaging station
 - Motor vehicle for daily operation uses for production activities

BUSINESS OBJECTIVES, STRATEGIES AND REVIEW OF OPERATING ACTIVITIES

Poultry farming

In the current fiscal year, the Company has made substantial progress in advancing its operational efficiency, infrastructure and technological capabilities. These initiatives reflect our commitment to staying at the forefront of industry advancements while maintaining a strong focus on quality, productivity and customer satisfaction. These efforts aim to streamline our processes, reduce operational costs and improve service levels to our customers.

One of the most significant developments for the Company this year has been the installation of a new, high-performance grading machine with a processing capacity of 217,000 eggs per hour. This advanced equipment represents a leap forward in our production capabilities, significantly increasing our capacity to meet the rising demand for our products. The new grading system not only increases speed but also enhances the accuracy and precision of the grading process.

By maintaining a high level of quality control throughout the entire process, the machine ensures that only eggs of the highest quality are packaged and delivered to our customers. This new equipment has not only enabled us to increase production volumes but also reduces the time required for each cycle, resulting in less downtime and greater operational efficiency. The addition of the grading machine further supports our sustainability goals by reducing waste, as it allows us to sort and package eggs more effectively, minimising imperfections and ensuring that our resources are utilised optimally. The improved capacity also caters our production expansion from 4.0 million eggs to 4.5 million eggs in financial year ended 2024. Additionally, new grading machine positions us to better meet market demands and handle fluctuations in consumer preferences, allowing us to remain agile and competitive in an ever-evolving marketplace.

In parallel with our expansion of production capabilities, we have made significant investments in our distribution infrastructure. The opening of a new distribution centre ("DC") in Mentakab, Pahangour second DC in Pahang after Kuantan DC-marks a crucial step in our long-term strategy to improve supply chain efficiency and customer satisfaction. With this addition, we now operate a total of four distribution centres, strengthening our logistics network and reinforcing our ability to serve a growing customer base. Located strategically, the Mentakab DC allows us to reach a broader customer base more effectively and cost-efficiently, further fulfilling the substantial demand in the East Coast of Malaysia. With increased storage capacity and the ability to manage a larger volume of orders, we are now able to respond more quickly to market demands, ensuring that our products reach customers in a timely manner. This expansion also enables us to further penetrate the end consumer market, improving accessibility and ensuring that our products are readily available to customers. As we continue to expand our footprint, the Mentakab facility will play a vital role in supporting our growth ambitions and solidifying our position as a leader in the industry.

In addition to our physical infrastructure upgrades, the Company has placed a strong emphasis on the digital transformation of its operations. This year, we successfully implemented an integrated sales ordering and warehouse management system ("WMS") designed to streamline and automate key aspects of our business processes. The new system provides real-time data visibility, allowing us to monitor inventory levels, track orders and manage shipments more effectively than ever before. This digital solution enhances the accuracy and speed of our order fulfilment process, reducing the potential for human error and ensuring that our customers receive their products on time and in optimal condition. Moreover, the digital system enables us to forecast demand more accurately, giving us the ability to plan production schedules and inventory levels with greater precision. By automating routine tasks, we have freed up valuable resources that can be reallocated to more strategic activities, further enhancing operational efficiency. The integration of this technology has already resulted in improved inventory management, reduced lead time and a smoother overall workflow across our organisation. As we continue to scale our operations, this digital infrastructure will serve as a foundation for future growth, helping us adapt to market changes and evolving customer needs while maintaining high service levels and cost efficiency. These strategic investments in new equipment, infrastructure and digital systems represent our commitment to innovation and operational excellence. By enhancing our production and distribution capabilities and embracing technology, we are better positioned to drive future growth and continue to deliver high-quality products to our customers. We remain confident that these initiatives will lead to improved profitability, greater operational resilience and enhanced customer satisfaction in the coming years.

Sales of the Egg Processing Division have been highly encouraging, reflecting strong demand for our products and effective execution of our sales strategies. This growth is a testament to the quality of our products and the increasing recognition of our brand in the marketplace. The division's robust sales performance has bolstered our confidence in its potential for sustained growth. We are optimistic about the future, given the favorable market conditions and our ability to adapt to evolving consumer preferences. Our team's dedication and expertise have been instrumental in achieving these results, and we remain committed to building on this momentum. Recognising the importance of brand visibility and market penetration, we have intensified our marketing efforts and these efforts have not only increased brand awareness but also contributed to the division's sales growth. Moving forward, we plan to allocate additional resources to marketing to further strengthen our market position. As part of our growth strategy, the Egg Processing Division is planning to venture into overseas markets, marking a significant step in our expansion plans. We are actively working to secure the necessary regulatory approvals and establish a strong foundation for overseas operations. This initiative aligns with our long-term vision of diversifying our revenue streams and tapping into global opportunities. We are confident that this expansion will drive incremental growth and enhance the division's profitability in the coming years.

The construction of our slaughtering plant is progressing well and remains on schedule. This project represents a significant milestone in our company's growth strategy and underscores our commitment to expanding our operational capabilities. The installation of state-of-the-art machinery and equipment is currently underway. This phase is crucial to ensuring the plant's operational efficiency and readiness for production. Our team, in collaboration with experienced contractors and suppliers, is meticulously overseeing the installation process to ensure that all equipment is set up to the highest standards. We are confident that this phase will be completed within the planned timeline, allowing us to proceed with testing and commissioning activities. This new plant marks our second major foray beyond our core business of egg processing. Building on the success and expertise we have developed in the egg processing industry; we are optimistic about the potential of this new venture. The project aligns with our long-term vision to diversify our product offerings and capture new market opportunities. We believe that this expansion will not only enhance our competitive position but also contribute significantly to our revenue growth and profitability.

Our commitment to sustainability and energy efficiency is reflected in the installation of solar systems across 26 of our sites, with a total capacity of 6,702.45 kWp. This initiative has allowed us to achieve significant cost savings in reducing our electricity expenses by approximately 30%. By leveraging renewable energy, we will not only lower operational costs but also contribute to a greener environment by decreasing our dependence on conventional energy sources. Looking ahead, we are eager to expand this initiative further and are

By maintaining a focus on both technological advancements and infrastructure development, we are well-positioned to navigate the challenges of an everchanging market while delivering long-term value to our stakeholders.



actively exploring the possibility of installing a solar system for our upcoming slaughtering plant once its construction is completed. This move aligns with our long-term strategy of integrating sustainable energy solutions into our operations, ensuring efficiency, cost-effectiveness and environmental responsibility.

During the reporting period, our poultry farming segment continue to be the core contributor to the Company's overall financial performance. The segment generated revenue of RM643.7 million, accounting for approximately 85.4% of the total revenue of RM753.8 million. This underscores the vital role that poultry farming plays in driving our top-line growth and maintaining our market leadership in the industry. In addition to its strong revenue contribution, the poultry farming segment also delivered a Profit Before Tax ("PBT") of RM181.5 million, representing 91.5% of the total PBT of RM198.4 million. This highlights the segment's ability to maintain healthy profitability margins.

Investment and trading of poultry related products

This year has been a pivotal period for our investment and trading related products segment. Our focus has been on enhancing our supply chain efficiency, expanding our product portfolio, and strengthening our relationships with key stakeholders in the industry. These efforts have yielded positive results, contributing significantly to our revenue growth and market share expansion. In line with our commitment to innovation and sustainability, we have ventured into the development and deployment of intelligent machinery, equipment and robots tailored for the poultry farming industry. This strategic move is aimed at addressing the challenges of labour shortages and improving operational efficiency. By leveraging cutting-edge technologies such as automation and artificial intelligence, we are revolutionizing traditional poultry farming practices. This initiative aligns with global trends toward smart agriculture. To further solidify our presence in the poultry farming technology sector, we have established Trendata Science Sdn. Bhd., a joint venture company, in collaboration with Shanghai Xiashu Intelligent Technology Co. Ltd. This partnership brings together our expertise in poultry farming and their technological knowledge in intelligent machinery and robotics. The joint venture is focusing on providing comprehensive services, including sales, research and development, and technical support for poultry farming-related intelligent machinery, equipment and robots within Southeast Asia. This region, with its rapidly growing poultry industry, presents immense potential for the adoption of advanced farming technologies. Through Trendata Science Sdn. Bhd., we aim to deliver innovative solutions that enhance productivity, sustainability and profitability for poultry farmers across the region. Currently, we are actively engaged in marketing our new line of intelligent poultry farming solutions. The response from the market has been highly encouraging, with strong interest from both existing and potential customers. We believe that this initiative will not only drive our growth but also contribute to the advancement of the poultry farming industry as a whole.

The Investment & Trading of poultry-related products segment has been a key contributor to our overall financial performance this year. The segment generated RM110.1 million in revenue, accounting 14.6% of our total revenue. This underscores the importance of the poultry-related products segment as a core driver of our business growth. In terms of profitability, the segment delivered a PBT of RM16.9 million. This performance reflects the segment's ability to maintain satisfy margins despite market challenges, driven by efficient operations and effective cost management.

Moving forward, we remain committed to strengthening our position in the poultry-related products market by exploring new opportunities, optimising our supply chain and leveraging technology to enhance productivity and profitability. We are confident that this segment will continue to play a vital role in our overall growth strategy.

Looking ahead, we are confident that these investments will not only drive operational excellence but also provide the necessary platform for sustainable growth. By maintaining a focus on both technological advancements and infrastructure development, we are well-positioned to navigate the challenges of an ever-changing market while delivering long-term value to our shareholders, customers and employees.

RISK AND MITIGATION MEASURES

Risk of poultry disease

Teo Seng remains steadfast in its commitment to disease prevention and control, recognising the critical impact of poultry health on operational efficiency, product quality and overall business sustainability. By integrating stringent biosecurity measures across all its farming facilities, the Company ensures a proactive approach to mitigating disease risks. Implementing the CHS system and adhering to the AIAO poultry farming protocols across 24 locations, Teo Seng upholds industry-leading standards in disease management. Its dedicated team of experienced veterinarians and operations professionals continuously monitors farm conditions, swiftly addressing potential threats through advanced diagnostic tools and preventive interventions. Beyond biosecurity, the Company prioritises meticulous farm hygiene, optimised ventilation and tailored nutritional programmes to enhance livestock resilience. This holistic approach not only safeguards flock health but also reinforces Teo Seng's reputation for delivering high-quality, safe poultry products. Despite the ongoing challenges posed by poultry diseases, Teo Seng remains agile and committed to innovation, ensuring longterm growth and market leadership in the poultry industry.

2024 has been an exceptional year for us, marked by significant milestones and recognition that underscore our commitment to excellence, innovation and sustainable growth.



Sustainability Initiatives – Waste Management

Effective waste management remains a cornerstone of our sustainability strategy, ensuring responsible handling of chicken waste while minimising environmental impact. Recognising the ecological and societal implications, we have implemented comprehensive waste management protocols that prioritise efficiency, safety and environmental stewardship. Through innovative composting techniques, we transform chicken waste into nutrient-rich organic fertiliser, promoting sustainable agriculture and reducing dependency on chemical alternatives. These efforts not only enhance soil health but also mitigate waste accumulation, control odours and prevent the release of harmful substances into the environment. Understanding the risks associated with improper waste disposal, we continue to refine our processes through ongoing research and technological advancements. By integrating circular economy principles and exploring new sustainable waste utilisation methods, we aim to further reduce our carbon footprint while contributing to cleaner, healthier communities. Our unwavering commitment to continuous improvement in waste management reinforces our dedication to sustainable poultry farming and longterm environmental responsibility.

Manpower and succession planning

In response to the labour-intensive nature of Malaysia's poultry farming industry, Teo Seng remains committed to reducing reliance on foreign workers by fostering a more resilient and selfsufficient workforce. The Company continues to invest in advanced automation and smart farming technologies, such as precision feeding systems, robotic egg collection and climate-controlled housing, to enhance efficiency and productivity while minimising manual labour requirements. Beyond technological advancements, Teo Seng prioritises workforce development through targeted training and upskilling programmes, equipping local workers with the expertise needed to excel in modern poultry farming. Competitive wages, improved working conditions and career development opportunities are key initiatives designed to attract and retain local talent, ensuring long-term workforce stability. Additionally, strategic workforce diversification efforts help mitigate labour shortages and create a more adaptable and dynamic team. Through these proactive measures, Teo Seng strengthens operational resilience, safeguards business continuity and maintains its competitive edge in the evolving poultry farming landscape.

Foreign Currency Risk

Teo Seng remains steadfast in its commitment to prudent financial management by continuously refining its approach to mitigating foreign currency risks. As a business reliant on imported raw materials and export sales, the Group recognises the potential volatility of exchange rates and its impact on financial performance. To enhance resilience against currency fluctuations, Teo Seng strategically

employs a combination of forward contracts and option to lock in favourable exchange rates and stabilise cash flow. In addition to these financial measures, the Company closely monitors global economic trends, geopolitical developments and foreign exchange market dynamics to make informed risk management decisions. By integrating proactive currency risk strategies with robust financial planning, Teo Seng strengthens its ability to navigate uncertainties while ensuring sustainable growth and profitability in an increasingly complex global trade environment.

Regulation

Recognising the highly regulated nature of Malaysia's poultry farming industry, Teo Seng remains vigilant in monitoring and adapting to changes in economic policies and regulatory frameworks that may affect its operations. To strengthen compliance and ensure proactive decision-making, the Group has established a dedicated Corporate Affairs Committee comprising key leadership members, including the Group Finance Director, Company Secretaries and Senior Corporate Affair Manager. This committee, supported by a network of internal and external experts, plays a crucial role in analysing regulatory developments, assessing potential impacts and formulating strategic responses. By staying ahead of policy changes and industry requirements, Teo Seng enhances its ability to navigate complex regulatory landscapes while maintaining operational efficiency and financial stability. This proactive approach not only safeguards the Group against compliance risks but also reinforces its commitment to sustainable and responsible business practices within the poultry sector.

Prospect

2024 has been an exceptional year for us, marked by significant milestones and recognition that underscore our commitment to excellence, innovation and sustainable growth. As we reflect on our journey, we are proud to celebrate the remarkable achievements that have solidified our position as a leader in the industry.

We are honoured to have been recognised by The Edge Malaysia as part of the prestigious Centurion Club 2024. The Edge Malaysia Centurion Club is a highly respected benchmark for corporate excellence, identifying top-performing public listed companies ("PLCs") based on their financial resilience, strategic growth and ability to deliver consistent value to shareholders. This accolade celebrates companies that have demonstrated exceptional financial performance, and we are proud to have achieved The Highest Growth in Profit After Tax over Three Years within The Consumer Product and Services Sector. Our inclusion in this elite group is a testament to our robust business strategies, operational efficiency and ability to adapt to dynamic market conditions. This recognition not only highlights our financial success but also reinforces our commitment to innovation, customer-centric solutions and sustainable practices. It reflects the hard work and dedication of our entire team, whose

efforts have propelled us to new heights in a competitive landscape.

Meanwhile, we have received The Best Employer Award by Employees Provident Fund ("EPF") Batu Pahat district. This is a significant achievement, highlighting a company's commitment to fostering a positive and supportive work environment. This prestigious award reflects the organisation's dedication to employee well-being and providing an excellent work-life balance.

Moving forward, ongoing global economy challenges and uncertainties marked by inflationary pressures and geopolitical conflicts weigh on the outlook of year 2025. For the Malaysian economy, the strength in economic activity is expected to be sustained, driven by resilient domestic expenditure and foreign investment. The robust expansion in investment activity will be sustained by the progress of multi-year projects in both the private and public sectors, the continued high realisation of approved investments, as well as the ongoing implementation of catalytic initiatives under the national master plans.

The poultry industry in Malaysia is expected to remain resilient in the coming years, driven by several key factors. One of the main reasons is that eggs continue to be the most affordable source of protein, making them a staple food for many Malaysians. As consumers look for budget-friendly and nutritious options, the demand for eggs is expected to remain strong, supporting the stability of the poultry sector. Besides, the increase in monthly minimum wages from RM1,500 to RM1,700 is in line with the government's commitment to help to improve nation's economy by increasing the people's purchasing power and will benefit the growth of consumable products. Additionally, the industry is set to benefit from stabilising input costs, particularly feed cost such as corn and soybean meal. Since feed costs make up a significant portion of poultry production expenses, the stabilisation of feed cost will help poultry farmers maintain competitive while keeping egg prices stable for consumers.

Poultry farming will be the cornerstone of our business, driving growth, sustainability and long-term success. As we look to the future, our unwavering focus remains on expanding our operations to solidify our position as a market leader. Expansion is our strategic priority, and we are targeting to achieve a remarkable production capacity of 5.0 million eggs per day within the next three years. This ambitious target requires a deep commitment to operational excellence, innovation, and the relentless pursuit of efficiency at every level of our business. To realise this vision, we will continuously refine and enhance our farming practices, leveraging advanced agricultural technologies, automation and data-driven insights to maximise productivity while maintaining the highest standards of animal welfare. We recognise that sustainable growth is built on a foundation of quality, and as such, we will implement rigorous quality control measures to ensure that every egg we produce meets the highest industry benchmarks.

In addition to our core poultry farming operations, we are strategically investing in and expanding our presence in the poultry related products segment. Our focus is on continuously broadening our product portfolio to offer a comprehensive range of high-quality animal nutrition, healthcare and biosecurity solutions that enhance

livestock health and productivity. By introducing innovative and effective products, we aim to meet the evolving needs of farmers and industry professionals. At the same time, we are committed to elevating our brand presence in the market through targeted marketing strategies, strong industry partnerships and a customercentric approach. Strengthening our position in this segment will not only enhance our overall business resilience but also create new avenues for growth, reinforcing our commitment to providing sustainable and high-value solutions to the poultry and industry.

Sustainability is at the core of our poultry farming operations, and we are deeply committed to integrating Economic, Environmental, Social and Governance ("EESG") principles into every aspect of our business. Environmentally, we are focused on reducing our carbon footprint by adopting energy-efficient equipment, optimising water and feed consumption, and implementing waste management solutions that promote circular economy practices. Socially, we prioritise employee well-being and community engagement, ensuring that our operations create a positive impact on society. We invest in ethical labour practices, workforce training and initiatives that support local communities. From a governance perspective, we uphold the highest standards of transparency, regulatory compliance and ethical business conduct, ensuring that our decision-making processes align with long-term sustainability goals. By embedding EESG principles into our poultry segment, we are not only driving responsible growth but also ensuring a resilient and future-ready business that benefits all stakeholders.

Dividend

The Board remains committed to balancing shareholder returns with the Group's long-term financial stability and growth objectives. In line with this commitment, the Board's dividend policy aims to distribute between 20% to 50% of Profit After Tax ("PAT"), subject to a thorough assessment of retained earnings, cash flow availability and the Group's capital expenditure and funding needs. This approach ensures that while shareholders are rewarded for their investment, the Group also retains sufficient reserves to support business expansion and operational resilience. However, it is important to note that this policy reflects the Board's present intention and does not guarantee future dividend payments. The actual declaration of dividends will be contingent upon various factors, including the Group's financial performance, liquidity position and prevailing economic conditions. Should dividend payments pose a risk to the Group's financial health or operational stability, the Board reserves the right to revise or waive distributions in adherence to the solvency requirements outlined in the Companies Act 2016. Through this prudent and flexible approach, the Group strives to create sustainable value for shareholders while safeguarding its long-term financial health.

In recognition of the exceptional performance achieved for the financial year ended 2024, the Board had announced total four (4) interim cash dividend amounting to a total of RM40.1 million., which is approximately 21.9% of Profit After Tax ("PAT") for financial year ended 2024.

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 Teo Seng Capital Berhad Group's dedication to sustainability across Economic, Environmental, Social, and Governance ("EESG") dimensions for the financial year ended 2024. The Statement is prepared in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa") and the Board of Directors ("Board") has considered the Sustainability Reporting Guide and its accompanying Toolkits, issued by Bursa.

The Board acknowledges the importance of fostering a sustainable business model that considers the diverse factors influencing the Group's long-term success. By integrating sustainable management practices and strategies, we aim to create enduring value for our shareholders while safeguarding the interests of key stakeholders, including investors, customers, suppliers, employees, regulators and the communities we serve.

Guided by Teo Seng Group's tagline, "Hatching for the Future" and Happy Egg slogan, "Healthy Eggs Happy Life", we integrate sustainability into our core values, daily operations and strategic initiatives. These principles drive us to create long-term shareholder value, uphold strong governance, foster meaningful 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/.



SUSTAINABILITY GOVERNANCE STRUCTURE AND POLICIES

The Board delegated to the Sustainability Steering Committee, comprising members from the senior management team, the task of overseeing and driving the Group's sustainability agenda. The Committee reports directly to the Audit Committee of the Board and is responsible for advancing our EESG initiatives, reflecting our unwavering commitment to responsible business practices and positive societal impact. Through its ongoing efforts, we continue to embed sustainability principles into every aspect of our operations from strategic decision-making to day-to-day practices.

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 and its outcomes, reports and 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 primary responsibility for the Group's sustainability performance, providing oversight and reviewing sustainability reporting. Recognising sustainability as an ongoing journey aligned with the Group's growth and development, the Board actively engages with stakeholders to refine the Group's approach, ensuring that key sustainability concerns are addressed and integrated into its strategic planning.



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



- 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 costbenefit to all level of the participants in company, including general workers, middle-management and top management to improve cost effectiveness.



MATERIAL SUSTAINABILITY MATTERS

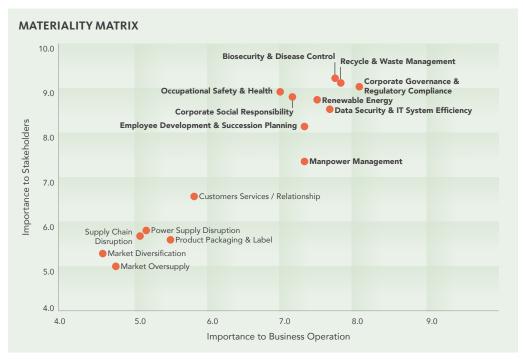
To drive sustainability in alignment with the Group's vision and mission, the Sustainability Working Team identifies key sustainability matters by evaluating stakeholder feedback, insights, and potential events that could impact our ability to achieve objectives. These matters are assessed based on their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

Teo Seng recognises that sustainability is an ongoing journey, demanding a transformation in our corporate culture and active engagement with stakeholders. The focus of this journey is addressing stakeholder expectations and integrating EESG sustainability considerations into our business practices. We prioritise engagement with diverse stakeholder groups through multiple communication channels to ensure their voices are heard and their concerns are effectively addressed.

Materiality Assessment Process



The materiality assessment process for our sustainability statement begins with identifying relevant matters through stakeholder engagements and analysis of our daily operations. These matters are then evaluated against established sustainability criteria, incorporating both internal (organisational) and external (stakeholder) perspectives. We prioritise matters based on their relevance to our business operations and significance to stakeholders. Of the 15 matters assessed, 9 have been prioritised, while the remainder remain relevant and are continuously monitored.



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 EESG 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	\$ 000 000 000 000 000 000 000 000 000 0	 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	·	 Recruitment planning and restructuring of operation mode Implementation of automation system
	Data Security & IT System Efficiency	**************************************	 Implementation and regular review of IT Policies and Procedures Firewall and anti-virus protection Protected network access Secondary backup storage in Disaster Recovery Center System Access Control and Management
Environmental	Waste Management	<u>∆</u>	 Environmental-friendly paper egg trays production Convert manure into organic fertiliser Wastewater treatment system
	Renewable Energy	12 ==== 13 ==	 Installation of solar photovoltaic systems across farms and factories Adoption of energy-efficient equipment and appliances Use of electric vehicles
Social	Occupational Safety & Health	3 manual 8 manual 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	 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 & Succession Planning	5=	 Employee health and wellness programme Periodical performance assessment Diversity within workforce Training and development
	Corporate Social Responsibility	There is a second of the secon	 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 & Regulatory Compliance	₩ NAL-ARTH STREET, ST	 Corporate Affair Committee Code of conduct and ethics for directors Employees' handbook Anti-corruption policy & procedure Whistleblowing policy Enterprise Risk Management & Sustainability Governance

Framework

Economic and Market Place

BIOSECURITY AND DISEASES CONTROL

Stakeholders Group:







The Management





Engagement Channel:

 On-going Meeting and Interaction

Infectious disease outbreaks present a significant risk to our poultry operations, threatening livestock health, reducing productivity and increasing mortality rates among our layer stocks. This risk threatens not only our revenue and profitability but also our market position and reputation. Recognising its severity, management has implemented rigorous biosecurity measures across all farms to minimise exposure and mitigate potential impacts.

The Group has implemented the Closed-House System ("CHS") and All-In-All-Out ("AIAO") layer farming management systems, which are among the most effective measures to mitigate risks. The CHS involves rearing chickens in a fully enclosed farm equipped with high biosecurity standards, built-in ventilation and temperature control. This system ensures a hygienic environment while isolating layer chickens from potential predators and disease carriers such as other animals, rodents and wild birds.

The AIAO has been adopted in our farms, where full cleaned-out and disinfection in accordance with established procedures are practiced for growing and laying for the purpose of better control of disease. Recognised as a leading practice in the layer farming industry worldwide, the AIAO system not only enhances performance through higher egg production and quality but also serves as a highly effective and efficient method for disease prevention. Additionally, we disperse our layer farming operations across 24 farms in various locations. Our farms are accredited with the Malaysian Good Agricultural Practice ("MyGAP") by the Department of Veterinary Services Malaysia by meeting stringent standards in farm hygiene, management, biosecurity and disease control.

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 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.

Our farm facilities are equipped with advanced disease-prevention and ventilation systems and undergo rigorous cleaning and disinfection processes. We provide our livestock with optimal care, including specialised feed, balanced nutrition and clean water. Since the inception of our layer farming operations, we have maintained an exemplary track record with no significant disease outbreaks. This commitment to excellence ensures the Group's operational resilience, enhances productivity and safeguards our reputation as a reliable player in the industry.

Economic and Market Place

MANPOWER MANAGEMENT

Stakeholders Group:







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 crucial 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 in the poultry farming industry, 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. In 2024, we invested an additional new advanced egg grading machine at our Central Packaging Station to support our growing production demands and further enhance operational efficiency by 15% in terms of grading capacity. These investments aim to enhance efficiency and productivity while simultaneously reducing dependence on manual labour. In relation to greater transportation demand, the Group has strategically outsourced some long-range delivery destinations to external logistics partners. This approach facilitated cost savings and operational efficiency, ensuring timely and reliable transportation of products to their destinations.

These efforts aim to balance manpower requirements and sustain the Group's competitive advantages. Importantly, the Group remains committed to ensuring the welfare of all employees, both local and foreign, and adhering to safety and health measures to maintain a safe working environment.

Economic and Market Place

DATA SECURITY AND IT SYSTEM EFFICIENCY

Stakeholders Group:











Engagement Channel:

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

In today's modern economy, Information Technology ("IT") is indispensable for facilitating and accelerating business operations, enhancing efficiency and driving profitability. Therefore, ensuring data security and protection has become imperative for businesses. Failure to mitigate potential security risks can disrupt operations, damage a company's reputation and even threaten its long-term survival or regulatory compliance. Recognising these stakes, we are committed to safeguarding the safety and confidentiality of our clients' and employees' data and holding ourselves accountable.

However, as cyber threats continue to evolve, protecting sensitive information and data demands increasingly sophisticated and proactive measures. To strengthen our defenses, we rigorously enforce relevant policies governing data use 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	Jan 2024	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	Jan 2024	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	Jan 2024	To define access controls and monitoring necessary to ensure an appropriate level of protection for information, systems and resources.
4.	System Change Management	Jan 2024	Provide standardised methods and procedures to meet the change management requirements supporting the company's operations.
5.	Cyber Security Policy	Jan 2024	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	Jan 2024	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	Jan 2024	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.

In general, our data protection measures include effective control of information flow and usage, restricted access, strong user password policies, firewall and antivirus installations, the use of original licensed software, secure network access, regular data backups and etc. In 2024, the Group's Cyber Security Policy was updated to strengthen cybersecurity across all company digital devices, as well as personal devices used for work, with clearly defined protocols and guidelines.

In addition, we have 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 Center. 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 our data security measures. Any identified weaknesses are promptly reported to management, accompanied by actionable recommendations for improvement. Besides, our IT processes also subject to routine audits by the internal audit team, which provides detailed observations and valuable recommendations to enhance both operational efficiency and security measures. With commitment to robust data security measures, we are pleased to report that there was no breaches of customer privacy or loss of customer data were reported in 2024.

A step further, the Group has successfully implemented the Warehouse Management System ("WMS") at our Central Packaging Station for eggs production. This advanced system streamlines inventory management, optimises packaging processes and enhances overall operational efficiency. By integrating real-time tracking and automated workflows, the WMS ensures accurate stock control, reduces manual errors and improves order fulfillment speed. The online employee portal is another digitalisation initiative that is well accepted by employees. It provides them with secure access to the Group's policy documents, leave management, pay slips and personal information while also serving as a key resource for efficient information dissemination.

Environmental

WASTE MANAGEMENT

Stakeholders Group:



Board of **Directors**



Management





Engagement Channel:

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

Effective waste management is critical for the long-term sustainability and growth of our operations, given the significant environmental impact of layer farming. One of the challenges we face is mitigating odour pollution and managing manure disposal effectively. To support the expansion of our layer farming operations, we have made substantial investments in enhancing our waste management capabilities. This includes increasing the number of fertiliser plants from 10 to 14, significantly boosting our capacity to compost manure into organic fertiliser. This strategic initiative not only accommodates the growing volume of chicken waste but also reinforces our commitment to environmental sustainability.

By converting waste into valuable agricultural inputs, we are minimising environmental impact, promoting circular economy practices and ensuring responsible resource management in our operations. Throughout the year, our fertiliser plants operated efficiently, converting manure into quality organic fertiliser suitable for agricultural applications through a structured composting process. Notably, our organic fertiliser has been accredited with SIRIM product certification, reaffirming its quality, reliability and compliance with industry standards.

Our comprehensive waste management system also incorporates several key components including careful site selection, efficient fertiliser production and the proper collection of waste from farms to fertiliser plants. Furthermore, it also ensures the appropriate storage, handling and treatment of chicken manure, as well as its responsible utilisation. As part of our ongoing commitment to

improving waste management practices, we are actively exploring innovative and sustainable solutions, including the adoption of composting towers. Through dedicated research and strategic collaborations with industry experts and academic institutions, we continue refine our existing waste management processes, optimise organic fertiliser production and improve its formulation and quality.

The Group promotes the efficient use of resources across all 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 Central Packaging Station undergoes treatment for sustainable reuse in paper egg tray production. This practice helps conserve freshwater resources, reduce wastewater discharge and support environmental sustainability.

In paper egg tray division, we manufacture environmental-friendly paper egg trays using recycled materials such as old magazines, newspapers and used carton boxes. A major milestone was achieved in March 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"). This certification affirms that the paper used in our production is sourced from recycled materials, thereby preventing over-extraction of resources and environmental degradation.

Environmental

RENEWABLE ENERGY



Stakeholders Group:













Engagement Channel:

- On-going Meeting and Interaction
- Press Release

In view of rising electricity costs and national green energy targets, we strategically invested in renewable solar energy to enhance our sustainability efforts. By installing solar photovoltaic ("Solar PV") systems across our farms, factories and office buildings, we reduce reliance on conventional energy sources, effectively lowering our emission and electricity costs. This initiative also aligns with the national agenda for renewable energy adoption while reinforcing our commitment to the environment and long-term energy sustainability.

Our first Solar PV system was installed for Teo Seng's feedmill plant in 2019 with capacity of 490 kWp has been a success, operating efficiently to generate renewable energy for the plant. As part of our ongoing commitment to renewable energy and environmental sustainability, we have progressively expanded our Solar PV capacity. Between 2020 and 2022, we installed an additional 3,972 kWp, followed by 453 kWp in 2023, bringing the total operational capacity to 4,915 kWp. Our efforts continue in 2024, with further installations increasing the total capacity to 6,702 kWp, reinforcing our dedication to reducing carbon emissions and enhancing energy efficiency across our operations. Moving forward, the Group will continue to explore opportunity for Solar PV system expansion across its buildings or facilities. As of the end of the financial year 2024, the Group's Solar PV systems have efficiently provided reliable renewable energy to support operations, as detailed below:

F.Y. E	Total Capacity (kWp)	Renewable Energy Generated (MWh)	CO ₂ Avoidance (0.774 tCO ₂ /MWh)
2022	4,462	5,428	4,201.27
2023	4,915	5,755	4,454.37
2024	6,702	8,168	6,322.42

In addition to solar energy, the Group has taken steps to promote sustainable mobility by replacing older company vehicles with electric vehicle ("EV") and hybrid models while also installing EV charging stations at the HQ parking area. This initiative reflects the Group's commitment to reducing carbon emissions and embracing cleaner mobility solutions. Furthermore, the Group has also implemented various energy-saving measures to enhance efficiency and reduce electricity consumption in its operations. These include the use of LED and solar lightings, inverter air conditioners and smart energy controllers that optimise power usage in farm and machinery operations. By integrating these technologies, the Group strengthens its commitment to sustainability while effectively managing energy consumption.

OCCUPATIONAL SAFETY AND HEALTH

Stakeholders Group:



Board of **Directors**



Management









• On-going Meeting and

- Interaction
- Periodic Assessment

Engagement Channel:

Teo Seng is committed to maintaining a safe and healthy workplace. To uphold this, we have established a Safety and Health Committee, led by a certified Health, Safety and Environment Officer. The committee is responsible for implementing a comprehensive safety plan that includes accident prevention, employee wellness programmes and compliance with environmental and safety regulations. Our goal is to build a strong safety culture across the Group by promoting awareness and safe practices to reduce workplace accidents. We achieve this through ongoing safety training, education programmes and providing employees with the necessary tools and resources for 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 comprehensive safety and health procedures to ensure employees work safely and responsibly in areas such as machine operation, equipment maintenance, chemical handling, and forklift driving. These guidelines promote proper workflow, enhance productivity and reinforce safe practices. Any non-compliance will result in immediate corrective action, with disciplinary measures if necessary.

Safety and Health Procedures

No.	Description	Last Review Date
1	Machine/Equipment Operation and Maintenance Procedure	09/07/2023
1.	Machine/Equipment Operation and Maintenance Procedure	09/07/2023
2.	Safe Handling of Forklift/Tractor	17/08/2023
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	16/07/2020

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 training to raise awareness and equip front-line workers with essential safety skills and emergency response knowledge. These sessions enhance productivity, boost employee confidence and foster a strong safety culture within our 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 seek feedback from our employees. We consider their comprehension and involvement in these programmes as fundamental to the development and implementation of occupational safety and health.





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. By analysing incidents, we can identify hazards and assess the effectiveness of safety measures. The findings guide the development of targeted improvements. Our employees are encouraged to promptly report accidents and near misses, helping to identify potential risks and facilitate preventive actions.

The Safety and Health Officer, in collaboration with the Safety and Health Committee members, conducts incident investigations to identify root causes and recommends control measures to minimise occupational hazards. Investigation reports will be submitted to management and be discussed periodically to drive continuous improvement. In 2024, a total of 13 injury cases with no fatality were reported and thoroughly investigated with appropriate remedial actions implemented.

Risk Assessment

We are committed to maintain a safe and healthy working environment through regular risk assessments that identify workplace hazards and evaluate their impact on employee safety and health. Guided by the Hazard Identification, Risk Analysis and Risk Control ("HIRARC") framework, we systematically assess, analyse and manage potential risks. Throughout the year, risk assessments were conducted across production, maintenance and other operational areas. This process involved reviewing existing hazards, evaluating associated risks and implementing effective control measures to minimise them.

In 2024, we maintained a proactive approach to OSH, with regular risk assessments leading to the successful identification and mitigation of several potential safety hazards. We strive to constantly review and update our risk assessments and safety measures to further reduce the likelihood of incidents and enhance the overall safety of our workforce.

Personal Protective Equipment ("PPE")

We have established a PPE Management Procedure to ensure the proper distribution and use of PPE, providing employees with necessary protection based on their job tasks. Workers are required to wear PPE, such as full-body harnesses and safety helmets, during hazardous activities to reduce the risk of injuries and illnesses. While PPE is the last line of defense, it remains a crucial part of our safety protocols. To maintain compliance and safe practices, we conduct regular audits to monitor PPE usage across all departments, ensuring employees are properly equipped and following safety guidelines. We also regularly evaluate the effectiveness of provided PPE, incorporating employee feedback and incident reports to identify areas for improvement and enhance protection when needed. In line with our commitment to sustainability, we also prioritise the sourcing of eco-friendly PPE materials wherever possible. Our annual PPE budget covers the procurement, replacement and maintenance of PPE to ensure all employees have access to high-quality PPE throughout the year.

Socia

EMPLOYEE DEVELOPMENT AND SUCCESSION PLANNING



Stakeholders Group:







Engagement Channel:

- On-going Meeting and Interaction
- Periodic Assessment

Teo Seng Group values its employees as the foundation of growth and success. We are committed to continuous learning, structured development programmes and succession plan to build a skilled and sustainable workforce. By providing training, leadership development and mentorship opportunities, we equip employees with the expertise needed for career growth and future leadership roles. This approach not only enhances individual potential but also strengthens our organisation's ability to adapt to evolving business challenges.

Health and Wellness Programme

Teo Seng remains committed to fostering a healthy and active workplace through our Health and Wellness Programme. Over the past year, we have continued to promote employee well-being by organising various initiatives that encourage physical fitness and teamwork. In addition to our weekly Zumba sessions, we organised a Fat-Loss Competition to motivate employees to adopt healthier lifestyles and achieve their fitness goals. Furthermore, we also hosted sport tournament to provide employees with opportunity to engage in friendly competition while promoting teamwork and sportsmanship. Through these activities, we aim to cultivate a workplace culture that prioritises health, well-being and camaraderie which ensuring our employees stay energised and motivated in both their personal and professional lives.

Fat-Loss Competition & Sport Tournament





Internal Promotion Assessments

Teo Seng are committed to a transparent and performance-driven career advancement process. Our Internal Promotion Assessment is based on established Key Performance Indicators ("KPIs") driven evaluation system, where employees who consistently achieve or exceed their KPIs and demonstrate leadership potential are considered for promotion.

Employees meeting the required KPIs benchmarks are further assessed through job performance reviews and leadership evaluations to determine their suitability for higher responsibilities. By aligning promotions with measurable performance outcomes, we ensure fairness, motivate employees to excel and build a strong leadership pipeline that supports Teo Seng's long-term growth and sustainability.

Diversity and Cross-Generation Collaboration

A diverse and inclusive workforce is essential for driving innovation and long-term success. Teo Seng brings together employees from various backgrounds, experiences and generations, each contributing unique perspectives and strengths. By fostering diversity and cross-generational collaboration, we create an environment where knowledge is shared, new ideas thrive and employees continuously learn from one another.

To bridge generational differences, we promote mentorship programmes, knowledge-sharing sessions and cross-functional teamwork, enabling experienced employees to pass down industry expertise while younger employees bring fresh insights and technological adaptability. This collaborative approach enhances workplace harmony, strengthens problem-solving capabilities and ensures agility in an evolving business landscape. By embracing diversity and intergenerational collaboration, we cultivate a more inclusive work culture while boosting productivity, creativity and long-term organisational resilience.

Employee Training and Leadership Development Programmes

Teo Seng recognises continuous learning as essential for both personal and organisational growth. To enhance employee skills and develop future leaders, we have established structured training programmes tailored to different roles and career stages. These initiatives cover technical skill development, soft skills enhancement and leadership training to equip employees with the necessary knowledge and competencies.

Additionally, we provide targeted leadership development programmes to identify and nurture high-potential employees, ensuring a strong pipeline of future leaders. These programmes focus on strategic thinking, decision-making and people management, shaping well-rounded leaders capable of driving the company's growth. Through these efforts, we not only support employee career progression but also strengthen Teo Seng's overall sustainability and competitiveness in the industry.

No.	Title	Date	Type of training	Brief description on the training
1.	Professional Positive Work Habit & Self- Motivation Skills	22.01.2024 -23.01.2024 & 19.02.2024 -20.02.2024 & 22.04.2024 - 23.04.2024	Workshop	To equip supervisors and line leaders with understanding of the company's vision and mission, their current position and future goals. The programme includes self-evaluation, constructive feedback, motivation techniques and strategies for managing challenging workplace dynamics.
2.	Optigrader Technical Training	15.04.2024	Workshop	To learn on how to operate, troubleshoot the grading machine and system.
3.	Food Handling Training	29.04.2024, 02.05.2024, 27.06.2024, 16.07.2024	Workshop	To equip participants with food safety knowledge in food industry and qualify for recognised food handling certificates.
4.	Impact of E-Invoicing on Business and Processes	21.05.2024	Workshop	To ensure participants able to demonstrate a comprehensive understanding of Malaysia's e-invoice system.
5.	Research & Development of Food Technology	27.05.2024 – 28.05.2024	Workshop	To ensure participants understand food science principles, develop research skills and explore food processing technologies.
6.	Handling Full Set of Accounts & E-Invoicing	10.06.2024 - 11.06.2024	Virtual Training	To assist new or existing accounting and administration personnel to appreciate and understand the steps in the accounting process from source documents to the preparation of financial statements to enhance effectiveness of their job functions.
7.	Leadership, Communication, Planning and Control	20.06.2024 – 21.06.2024	Workshop	To enhance participants capability to understand and link department goals with corporate goals, develop strategic departmental planning, become an effective cost controller and able to manage meetings efficiently.
8.	Fundamentals of Project Management	03.07.2024 - 04.07.2024	Workshop	To equip participants with essential project management skills to effectively plan, execute and complete projects within their technical domains.
9.	Minimum Transfer Pricing Documentation for SMEs	12.07.2024	Virtual Training	To understand Malaysia's transfer pricing documentation ("TPD") requirements, including the content and preparation of a minimum TPD and effectively use the TPD template issued by IRB.
10.	Root Cause Analysis	19.08.2024 - 20.08.2024	Workshop	To develop accurate problem statements that clearly define issues, enabling effective root cause analysis and the implementation of targeted solutions.

No.	Title	Date	Type of training	Brief description on the training
11.	MIA Webinar Series - Building Interactive Reports & Dashboard Using Microsoft Excel for Accountant	09.10.2024 – 10.10.2024	Virtual Training	Learn how to effectively use data and formatting techniques to present information clearly, ensuring reports accuracy, visually appealing and easy to understand.
12.	Forming Collaborative Mindset	04.12.2024	Workshop	To build a positive mindset, strengthen emotional intelligence, adaptability skills in sales team which enabling effective communication with clients, resolve conflicts empathetically and adapt flexibly to diverse client needs.
13.	8D Innovative Approach in Problem Solving	18.12.2024 – 19.12.2024	Workshop	To develop problem-solving skills by applying effective techniques that enhance workflow efficiency, improve daily decision-making and support organisational goals.
14.	Strategic Credit and Collection Management	20.12.2024	Workshop	To enhance credit management skills and implement best practices between finance and credit professionals in the recovery chain process.

Professional Positive Work Habit & Self-Motivation Skills Development









CORPORATE SOCIAL RESPONSIBILITY

Stakeholders Group:



Board of **Directors**



Management





Employees



Engagement Channel:

 On-going Meeting and Interaction

Teo Seng remains committed to promoting sustainable development and improving the well-being of local communities. Through our Corporate Social Responsibility ("CSR") programme, we actively engage with the community to create a meaningful impact. Our initiatives include sponsoring charitable and educational organisations, providing material support to individuals facing hardships and donating eggs to underprivileged recipients upon requests from non-government organisations, government agencies and charities. These contributions help ease financial burdens, improve access to nutritious food and address hunger among vulnerable individuals and families in our community.

During the year, we actively promoting a healthy lifestyle and fostering strong community engagement. We sponsored and encouraged our staffs to participate in local sports events and various community initiatives. Beyond sponsoring community sports sessions that promote physical fitness, teamwork and well-being among employees and the local community, we also supported other school sports events, festive community events, student drawing contest, teacher day appreciation event and etc. As part of our social responsibility efforts, we donated eggs to underprivileged groups and community programmes, providing nutritious food while strengthening our ties with the communities we serve. Through these initiatives, we continue to build a culture of wellness, inclusivity and shared growth.









In addition, we further demonstrated our commitment to education by sponsoring initiatives to enhance preschool facilities. Recognising the critical role of early childhood development, we partnered with local schools and educational organisations to fund infrastructure upgrades and beautification projects. These efforts aim to create a nurturing environment that supports early learning and ensures equitable access to quality education for children at the start of their academic journey.

Moving forward, we remain dedicated to expanding our CSR initiatives and strengthening our engagement with local communities. Our focus is on creating lasting social impact, fostering meaningful connections and supporting the well-being of the communities we serve.

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 always emphasising the importance of upholding the highest ethical standards and principles of good governance in our business dealings, aligning with our mission, vision and shared values. Our business conduct and ethics are guided by robust frameworks of key policies, systems, processes, standard operating procedures and best practices. These frameworks are supported by our governance structure, which includes the Board of Directors and various Committees.

We engage both internal and external Company Secretaries to provide appropriate advice on corporate governance matters. To further reinforce governance oversight, we have established a Corporate Affairs Committee at the middle management level. This committee comprising of the Group Finance Director, Accountant, Company Secretary and Corporate Affairs Personnel responsible for overseeing the implementation and adherence to corporate governance standards. At the same time, various departments including HR & Admin work collaboratively to ensure compliance with labour laws and other relevant regulations.

The details of our corporate governance practices are outlined in the Corporate Governance Overview Statement of this Annual Report and further detailed in the Corporate Governance Report. Our risk management framework and internal control processes are disclosed in the Statement on Risk Management and Internal Control. Additionally, we have established various policies and terms of reference to guide our governance and control measures across different areas, all of which are available on our corporate website.

The Group continued to strengthen governance practices by ensuring employees, both new and existing, understand and adhere to our Anti-Corruption Policy and Procedures. During the year, refresher briefing and understanding assessment on the policy were conducted for existing employees to reinforce awareness and compliance. All new employees are introduced to the policy as part of their onboarding process and provided access to the employee handbook via the online portal. The handbook clearly outlines expectations for ethical conduct, including avoiding conflicts of interest and maintaining confidentiality. These policies serve as a guiding framework, fostering a culture of integrity, transparency and accountability. By continuously reinforcing these principles, we mitigate risks associated with corruption, unethical behavior and non-compliance, ultimately supporting the Group's long-term success and sustainability.

In line with our commitment to transparency, accountability and ethical conduct, we encourage employees and external stakeholders to report any suspected wrongdoing through whistleblowing channels provided under our Whistleblowing Policy. This policy provides a secure and confidential avenue for reporting improper conduct or violations within the Group via dedicated channels. By maintaining a trusted whistleblowing mechanism, we foster a workplace culture where employees feel safe to raise concerns without fear of retaliation. This proactive approach enables us to promptly identify and address potential issues, preventing minor concerns from escalating into more significant risks that could impact the organisation's integrity and operations.

Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	72.46	100.00	
Executive	Percentage	81.33	100.00	
Non-executive/Technical Staff	Percentage	39.12	98.83	
General Workers	Percentage	5.34	43.87	
Bursa C1(b) Percentage of	Percentage	0.00	0.00	
operations assessed for corruption-related risks				
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the isted issuer	MYR	303,600.00	624,418.08	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	71	160	
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category Age Group by Employee Category				
Management Under 30	Percentage	0.00	4.00	
Management Between 30-50	Percentage	79.71	80.00	
Management Above 50	Percentage	20.29	16.00	
Executive Under 30	Percentage	24.00	25.32	
Executive Between 30-50	Percentage	73.33	72.15	
Executive Above 50	Percentage	2.67	2.53	
Non-executive/Technical Staff Under 30	Percentage	38.49	39.31	
Non-executive/Technical Staff Between 30-50	Percentage	56.46	56.65	
Non-executive/Technical Staff Above 50	Percentage	5.05	4.04	
General Workers Under 30	Percentage	40.77	41.72	
General Workers Between 30- 50	Percentage	53.08	52.10	
General Workers Above 50	Percentage	6.15	6.18	
Gender Group by Employee Category	J			
Management Male	Percentage	79.71	78.67	
Management Female	Percentage	20.29	21.33	
Executive Male	Percentage	45.33	41.77	
Executive Female	Percentage	54.67	58.23	
Non-executive/Technical Staff Male	Percentage	57.41	50.87	
Non-executive/Technical Staff Female	Percentage	42.59	49.13	
General Workers Male	Percentage	85.25	85.69	
General Workers Female Bursa C3(b) Percentage of	Percentage	14.75	14.31	
directors by gender and age group	Paraontago	A= **	0.2	
Male	Percentage	85.00	84.21	
Female	Percentage	15.00	15.79	
Under 30 Between 30-50	Percentage	0.00	0.00	
	Percentage	30.00	42.11	
Above 50	Percentage	70.00	57.89	
Bursa (Energy management)	Magawatt	00.700.00	07.050.55	
Bursa C4(a) Total energy consumption	Megawatt	26,729.00	27,852.00	
Bursa (Health and safety) Bursa C5(a) Number of work-	Number	0	0	
Bursa C5(a) Number of work- related fatalities Bursa C5(b) Lost time incident rate	Number	0.48	0.73	
("LTIR") Bursa C5(c) Number of employees	Number	89	268	
trained on health and safety				

Indicator	Measurement Unit	2023	2024	
Bursa (Labour practices and standa	ards)			
Bursa C6(a) Total hours of training by employee category				
Management	Hours	294	391	
Executive	Hours	3,033	2,623	
Non-executive/Technical Staff	Hours	317	352	
General Workers	Hours	260	139	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	8	7	
Executive	Number	45	26	
Non-executive/Technical Staff	Number	10	1	
General Workers	Number	215	199	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	87.13	87.28	
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	45.494000	77.766000	
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	284,700.00	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	207,320.00	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes		77,380.00	
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	7,001.00	
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	21,557.00	
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	1,209.34	

(*)Restated

Internal assurance External assurance No assurance

Teo Seng Capital Berhad ("Teo Seng" or "the Company" or "the Group") is committed to upholding the highest standards of corporate governance across its operations. As a responsible corporate citizen, the Board of Directors ("the Board") recognises the significance of transparency and professionalism in discharging its duties to safeguard and enhance shareholder value and the Group's financial performance. In pursuit of these objectives, the Board is dedicated to adhering to the principles and practices outlined in the Malaysian Code on Corporate Governance ("MCCG") 2021 revision, as stipulated in the Main Market Listing Requirements by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). By embracing these best practices, the Board strives to attain corporate excellence and foster trust and confidence among all stakeholders.

The detailed application for each practice as set out in the MCCG 2021 during the financial year ended 31 December 2024 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

BOARD RESPONSIBILITIES

Roles and Responsibilities of the Board

The Board assumes full responsibility for the overall performance of the Company and its subsidiaries by formulating policies, setting goals, and overseeing their achievement through strategic action plans and diligent stewardship of the Group's assets and resources.

The Board considers key company matters, including the annual business plan, annual budget, dividend policy, mergers and acquisitions, capital expenditure and corporate exercises. To facilitate its stewardship, the Board has delegated specific responsibilities to the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), and Risk Management Committee ("RMC"). All committee operates under clearly defined terms of reference. The Chairpersons of various committees report the outcomes and findings of their respective meetings to the Board for review, approval, and decision-making.

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 the highest standards of corporate governance and integrity. This dedication extends beyond mere compliance with regulatory requirements, reflecting the desire to enhance the Company's value for shareholders and other stakeholders. By adhering to the principles and best practices of corporate governance, the Board fosters transparency, accountability, and ethical conduct across all facets of the Company's operations.

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

The Board actively contributes to shaping the Company's strategic direction. In dedicated sessions, management presents its recommended strategies and proposed business plans for the forthcoming year to the Board. The Board undertakes a thorough review and engages in robust deliberations, considering both management's proposals and its own perspectives. Where appropriate, the Board challenges management's assumptions and viewpoints to ensure optimal outcomes for the Company. Through this collaborative process, the Board harnesses its collective expertise and experience to provide strategic guidance and steer the Company effectively.

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

The Board monitors the execution of business plans by management and evaluates management's performance under the leadership of the Managing Director. The Board is also kept informed of key strategic initiatives, significant operational matters and the Company's overall performance.

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 internal control system, covering operational and financial aspects such as waste management, human resource management, reporting, monitoring, review processes and procedure. The Board continually assesses the effectiveness of these controls to adapt to evolving business conditions and emerging risks in order to safeguard the Company's assets, minimising risk exposure and ensuring 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 Enterprise Risk Management & Sustainability Governance ("ERMSG") framework of the Company through the Group Internal Auditors ("GIA"). The GIA advises the AC and the Board on areas of high risk, the adequacy of compliance and control procedures throughout the organisation.

The GIA reviews and recommends the annual Corporate Risk Profile which specifies the key enterprise risks, risk management policies formulated and make relevant recommendations to the Board for approval, particularly with regard to risk oversight structure, accountability for risk management. Details of the ERMSG framework are set out in Statement of 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/.

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

In formulating the Group's strategic plan, the Board incorporates economic, environmental, social and governance ("EESG") considerations through the Sustainability Steering Committee, with a focus on sustainability to drive long-term value creation. Acknowledging the need to balance stakeholders' interests while minimising environmental and social impacts, the Board seeks to strengthen the Company's reputation, build stakeholder trust and deliver sustainable value.

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

A set of Limit of Authority ("LOA") which based on the prescribed financial limits, was formulated and reviewed regularly to ensure the Board discharge its roles and responsibilities effectively. The LOA serves to optimise operational efficiency and outlines high level duties and responsibilities of the Board and the delegated day-to-day management of the Company to the MD. The structured and regular reporting are made to the Board where the Board is accountable for the Company's overall performance. The Chairman of the Board helms by providing leadership and guidance to the Board in meeting corporate goals and manages the processes in ensuring the Board effectively discharges of its duties.

Mr. Lau Jui Peng is the Chairman of the Board while the MD is held by Mr. Nam Hiok Joo. There is clear segregation of the roles and responsibilities between the Chairman and MD as set out in the Board Charter.

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 businesses, organisational effectiveness and implementation of Board strategies, policies and decisions. The delegation structure from the Board to MD is further cascaded to the Senior Management Team. Both 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 advisory assistance on constitutional matters, policies, procedures, and compliance with applicable legislation. They keep the Board updated on new statutory and regulatory requirements and offer advice on corporate governance issues pertinent to the Board's duties and responsibilities. Through this advisory role, the Company Secretaries ensure the Board remains informed of evolving legal and regulatory developments, while aligning the Company's policies and procedures with corporate governance best practices.

The Company Secretaries attended all Board meetings, ensuring that they are properly convened and that the deliberations and decisions of the Board are accurately minuted, recorded and maintained. Additionally, the Company Secretaries participated in relevant professional development and training programmes to strengthen their skills and capabilities in fulfilling their duties and responsibilities.

Access to Information and Advice

The Board has unrestricted access to information from the respective management teams within the Group at all times and may seek advice from relevant management as needed. The Board is consistently updated on the latest regulatory requirements and developments issued by authorities. Furthermore, the Board may, whenever necessary, obtain independent professional advice at the Company's expense through an established procedure to support the discharge of its duties.

Board members receive updates on operational, financial and corporate matters, along with minutes from various Board Committee meetings prior to Board meetings. This enables Directors to seek further explanations or clarifications as needed to ensure the effectiveness of meeting proceedings. Board meeting papers are provided to members at least five days in advance, while highly sensitive corporate proposals are distributed during the meeting. Key Management Personnel will be invited to attend and brief the Board, offering additional information or clarification when required. Meeting proceedings are minuted, distributed to Board members in a timely manner and tabled for confirmation at the subsequent meeting.

Board Charter

The Board Charter is a primary document, clearly set out the roles and responsibilities of the Board, its Committees ("Board Committees"), Chairman and Managing Director, taking into consideration of all applicable laws, rules and regulations as well as the best practises. It serves as a reference and primary induction literature in providing Board members and Management insight into the function of the Board of Directors of the Company. Specific reserved matters for the Board, covering areas such as strategy and business planning, finance and controls, people, compliance, support and assurance are outlined in the Company's Board Charter.

The Company's Board Charter is periodically reviewed and updated by the Board to ensure alignment with its objectives, current laws and best practices. On 17 April 2020, the Board reviewed and revised the Teo Seng Group's Board Charter to maintain its relevance and consistency with recommended best practices and applicable rules and regulations. The Board Charter is accessible online 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 a dedicated section for the Employees' Code of Conduct and Ethics within the Group's Employee Handbook. These codes establish the expected standards of conduct for Directors and employees respectively. The Directors' Code of Conduct and Ethics addresses principles related to fiduciary duties, conflicts of interest and securities dealings, while the Employees' Code covers workplace conduct, conflicts of interest as well as securities transactions. Both codes serve as guidelines to promote integrity in handling information, managing securities dealings and addressing conflicts of interest. They also outline prohibited activities and misconduct, including giving or receiving gifts, bribery, dishonest behaviour and sexual harassment. The Directors' and Employees' Codes of Conduct and Ethics are accessible online at http://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 the governance of sustainability and integrate sustainability consideration into the strategic direction of the Group's business operations. The strategic management of material sustainability matters rest with the Sustainability Steering Committee, chaired by the Chief Operating Officer, Layer Farming Division, Mr. Na Yi Chan, with members of Group Finance Director who is also the Risk Manager, Mr. Ng Eng Leng and Senior Corporate Affair Manager. The Chairperson of the Committee and Risk Manager delegated by the Board as the designated persons from the senior management team to coordinates and manages sustainability efforts and strategies of the Group. Collectively, the Sustainability Steering Committee reports to the AC, through the AC reports to the Board on the Group's sustainability matters.

The Board through the Sustainability Steering Committee collaborates with various Heads of Departments and Divisions to oversee the established sustainability governance structure. This structure facilitates effective communication, ensuring that sustainability initiatives and relevant information are disseminated across departments, thereby enhancing employee awareness and engagement in the organisation's sustainability efforts.

Beyond internal engagement, the Board through the Sustainability Steering Committee also ensures that sustainability-related information is effectively communicated to employees across departments to support the implementation of key sustainability initiatives. For external stakeholders, ongoing engagement efforts and the publication of Sustainability Statements in the Annual Report provide relevant information on the Group's contributions and progress on prioritised 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 of 31 December 2024, none of the current INED of the Board had served for a cumulative term of more than nine years. Based on annual performance evaluation on INEDs, the Board is confident that the current INEDs are capable of continuing to bring fresh insights and expertise to the Board and will be able to drive the Company towards achieving its goals with effectively check and balance.

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 directors, including two women directors, representing 33% women director participation. This is in compliance with Paragraph 15.02(1)(b) of MMLR, which requires the Board to have at least one woman director and also in line with Practice 5.9 of MCCG 2021, which stipulates a requirement of at least 30% women directors. Beyond contributing to gender diversity, the expertise, skills and extensive experience of Ms. Lim Ying Khoo and Ms. Goh Wen Ling in their respective fields have significantly strengthened the overall competency of the Board.

Nomination Committee ("NC")

The NC of the Company is chaired by Independent Director and is primarily responsible for proposing new candidates for the Board and assessing the performance of its members on an ongoing basis. The NC is governed by its 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	Description
Goh Wen Ling	Chairperson
Lim Ying Khoo	Member
Lim Huey Hean	Member

Selection and Assessment of Directors

NC is responsible for assessing and recommending suitable candidate for Directorship to the Board, leverages on several sources and recommendation from existing Board Members, Key Management Personnel ("KMP") and/or major shareholders to gain access to wide pool of potential candidates, based on the profile and background of the candidates. In addition, the Committee conducts an annual review of the profile of each individual Director of the Board, assessing their skills, knowledge, experience, as well as performance of various Board committees to ensure effectiveness of the Board as a whole. The NC is also mindful of the importance of succession planning for Board members and KMP. It constantly evaluates and identifies suitable candidates 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 Independent Non-Executive Directors. 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 before being put to a vote. All Board and Committee members have demonstrated diligence and exercised reasonable care in fulfilling their duties and responsibilities.

NC reviews and recommends the suitable training programmes to the members of the Board in order to carrying out its functions. The NC will meet on an as-needed basis and there was one NC meeting held during the financial year ended 31 December 2024. 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.

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 19th AGM, Mr. Lim Huey Hean and Ms. Lim Ying Khoo who are retiring by rotation pursuant to Clause 76(3) of the Company's Constitution, being eligible for re-election have 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 page 13 to 14 of this Annual Report and the Board's justification for their re-election stated in the explanatory note of the Notice of 19th 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

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 2024, 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") 2024. 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 2024.

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 2024 were as follows:

Director	Board of Directors Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Risk Management Committee Meeting
Lau Jui Peng	6/6	-	-	-	-
Nam Hiok Joo	6/6	-	-	-	1/1
Loh Wee Ching	6/6	-	-	-	-
Lim Huey Hean	6/6	5/5	1/1	1/1	1/1
Lim Ying Khoo	6/6	5/5	1/1	1/1	1/1
Goh Wen Ling	6/6	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.

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

Directors	List of Training Programmes/Seminars attended/participated	Date
Lau Jui Peng	Directors' Training on Indonesian Taxation	25 April 2024
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
	Recent Amendments to Listing Requirements - Enhanced Conflict of Interest Framework	27 September 2024
	Training and Update of Vietnamese Tax Regulation	26 November 2024
Nam Hiok Joo	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
	Recent Amendments to Listing Requirements - Enhanced Conflict of Interest Framework	27 September 2024
Loh Wee Ching	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
	Recent Amendments to Listing Requirements - Enhanced Conflict of Interest Framework	27 September 2024
Lim Huey Hean	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
	Incident and Crisis Management for Social Media	23 September 2024
	Effective Risk Management by ISO 31000	23 September 2024
	Recent Amendments to Listing Requirements - Enhanced Conflict of Interest Framework	27 September 2024
Lim Ying Khoo	SSM National Conference 2024 - Enhancing Corporate Transparency. Building Resilience	27-28 August 2024
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
	Recent Amendments to Listing Requirements - Enhanced Conflict of Interest Framework	27 September 2024
	2025 Budget Seminar	13 November 2024
Goh Wen Ling	Training on Indonesian Taxation	25 April 2024
	Conflict of Interest ("COI") and Governance of COI	13 August 2024
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4-5 September 2024
	Incident and Crisis Management for Social Media	23 September 2024
	Effective Risk Management by ISO 31000	23 September 2024
	Recent Amendments to Listing Requirements - Enhanced Conflict of Interest Framework	27 September 2024
	Training on Vietnamese Taxation	26 November 2024

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 2024.

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.

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 2024. 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	457,725	75,000
Non-audit fee	13,000	6,500

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 Requirement 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 part of the Group's overall management processes to safeguard shareholders' investments and the Company's assets. Accordingly, the Directors are responsible for ensuring that an internal control system exists and is effectively implemented within the Group. The AC assists the Board in fulfilling this obligation by reviewing the system's effectiveness and adequacy.

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

- i. regular and comprehensive information provided to AC and the Board covering financial and operational performance;
- ii. regular visits to the operating units by members of the Board and KMP;
- iii. regular internal audit visits, which monitor compliance with procedures and assess the 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 can be found in the Statement on Risk Management and Internal Control from pages 59 to 61 of this Annual Report. The Risk Management Committee ("RMC"), chaired by the Managing Director and comprising a majority of INED was established to oversee the implementation and effectiveness of the risk management framework and policy.

The composition of RMC is as follow:

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



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

1. ENGAGEMENT WITH STAKEHOLDERS

The Group recognises the importance of keeping stakeholders informed of significant developments in a timely manner while ensuring strict compliance with Bursa Malaysia Listing Requirements. To maintain transparency, shareholders and prospective investors are regularly updated on major developments through announcements and press releases via Bursa Link, as well as the Company's annual reports, website and shareholder circulars. These channels provide a comprehensive overview of Teo Seng Group's financial and operational performance, reinforcing the Company's commitment to transparent and effective communication.

The Company has established an Investor Relations Policy to ensure the accurate, clear, timely and quality disclosure of material information. To enhance transparency, the Board has designated a section on the Company's website where stakeholders can access announcements, regulatory submissions and key documents such as the Board Charter and the Terms of Reference for 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 the resolutions set out in the notice of AGM were conducted by poll voting and validated by independent scrutineer. This will facilitate greater shareholders participation. Subsequently, the Board made the announcement of the detailed results showing 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 11 April 2025.

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 contract entered into or subsisting between the Company and its subsidiaries involving directors' and/or major shareholders' interest during the financial year ended 31 December 2024.

Recurrent Related Party Transactions of a Revenue or Trading Nature

At the last Annual General Meeting held on 28 May 2024, 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 2024 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 2024.

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 2024, 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 2024. This statement is prepared in line with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements. It also follows the guidance provided in the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers," developed by the Task Force with the endorsement of Bursa Malaysia. Additionally, the statement aligns with the principles set forth in the Malaysian Code on Corporate Governance 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 ("MD") 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.

<u>Second Line of Defence: Internal Monitoring and Oversight</u> 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 Audit Committee ("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. What sets this line apart is its high level of organisational independence

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 Malaysian Code on Corporate Governance 2021 ("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 Enterprise Risk Management and Sustainability Governance ("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, 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.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In financial year ended 2024, each HOU conducted a risk assessment within their respective departments and registered the identified risks. A total of 65 risks and their internal controls were registered and reviewed by RMT. This RMP eliminated or mitigated the risks raised from operations of the Group. RMT reported to RMC, and provided the RMC with a clearer understanding of the risks and internal controls across departments and divisions.

Meanwhile, we have also updated our ERMSG framework to its fourth version. This update is designed to align with our latest risk control procedures, ensuring a more robust and effective approach to managing risks and promoting sustainability across our operations.

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 the Committee of Sponsoring Organizations of the Treadway Commission ("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.

For the financial year ended 31 December 2024, 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 IA function operated without restrictions. The IA 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 IA 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. Feedmill Operation - Teo Seng Feedmill Sdn. Bhd.; ii. Sales to receipt (Direct Sales) - Teo Seng Farming Sdn. Bhd.; iii. Sales to Receipt - Ritma Prestasi Sdn. Bhd.; and iv. Distribution Centre Operation Review.

The total costs incurred for the IA functions in respect of the financial year ended 31 December 2024 amounting to approximately RM120,000.

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 IA 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 2024.

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 IA function as well as the external auditors.

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

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 2024.

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 11 April 2025.

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 2024 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. The Terms of Reference was last reviewed and approved on 14 November 2024.

MEETINGS

There were five (5) meetings of the AC held during the financial year ended 31 December 2024, 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 2023, first quarter ended 31 March 2024, second quarter ended 30 June 2024 and third quarter ended 30 September 2024 were tabled at the AC meetings held on 20 February 2024, 14 May 2024, 20 August 2024 and 14 November 2024 respectively.

b) Audited Financial Statements

On 16 April 2024, the AC reviewed the Audited Financial Statements for the year ended 31 December 2023.

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 20 February 2024, 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 2023.

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 18th 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 18th Annual General Meeting held on 28 May 2024.

On 20 August 2024, the AC reviewed the PwC's terms of engagement, proposed audit fee and audit plan for financial year ending 31 December 2024. 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
20 February 2024	Teo Seng Feedmill Sdn. Bhd Feedmill Operation
14 May 2024	Teo Seng Farming Sdn. Bhd Sales to Receipt (Direct Sales)
20 August 2024	Ritma Prestasi Sdn. Bhd Sales to Receipt
14 November 2024	Teo Seng Farming Sdn. Bhd Distribution Centre 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 14 November 2024, the AC reviewed the report from Risk Management Committee on Framework of Enterprise Risk Management and Sustainability Governance and Risk Management Findings.

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 2023 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 2024.

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 Hap Cheng (resigned on 30 April 2024)

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 robot 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 13 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	183,360,588	33,670,868
Profit/(Loss) for the financial year attributable to:		
- owners of the Company	183,364,421	33,670,868
- Non-controlling interest	(3,833)	0
	183,360,588	33,670,868

DIVIDENDS

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

	RM
In respect of the financial year ended 31 December 2024:	
First interim single-tier dividend of 12.5% equivalent to 2.5 sen per ordinary share, declared on 14 May 2024 and paid on 13 June 2024	7,440,923
Second interim single-tier dividend of 15% equivalent to 3.0 sen per ordinary share, declared on 20 August 2024 and paid on 27 September 2024	8,929,113
Third interim single-tier dividend of 20% equivalent to 4.0 sen per ordinary share, declared on 14 November 2024 and paid on 18 December 2024	11,895,692
In respect of the financial year ended 31 December 2023:	
Third interim single-tier dividend of 15% equivalent to 3.0 sen per ordinary share, declared on 18 January 2024 and paid on 29 February 2024	8,800,073
Fourth interim single-tier dividend of treasury shares distribution on the basis of 1 share for every 67 shares, declared on 7 March 2024 and paid on 15 April 2024	141,672
	37,207,473

On 17 February 2025, the Company declared a fourth interim single-tier dividend of RM0.02 per ordinary share, amounting to RM11.8 million in respect of the financial year ended 31 December 2024, to be paid on 20 March 2025.

The Directors do not recommend the payment of final single-tier dividend for the financial year ended 31 December 2024.

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

During the financial year, the following shares were allotted by the Company:

Date of issue	Number of shares issued	Class of shares	Consideration
12 December 2024	300,008,175	Bonus issue	NIL

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

There were no debentures issued during the financial year.

TREASURY SHARES

On 28 May 2024, 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.

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.

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

As part of the bonus issue detailed above, the Company was allotted 3,246,587 new treasury shares.

As at 31 December 2024, the Company held as treasury shares a total of 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 RM6,148,710. Relevant details on the treasury shares are disclosed in Note 21 to the financial statements.

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 including 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 29 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 1.1.2024/ date of appointment	Acquired	Disposed	At 31.12.2024
Shares in the Company				
Direct Interest				
Nam Hiok Joo	1,444,660	1,487,784	0	2,932,444
Lim Ying Khoo	150	150	0	300
Indirect Interest				
Lau Jui Peng ¹	162,633,303	165,986,240	(3,094,405)	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.

	Number of ordinary shares			
	At 1.1.2024/ date of appointment	Acquired	Disposed	At 31.12.2024
Shares in immediate holding company – Advantage Valuations Sdn. Bhd.				
Indirect Interest				
Lau Jui Peng¹	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.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Number of ordinary shares			
	At 1.1.2024/ date of appointment	Acquired	Disposed	At 31.12.2024
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	700,000	300,000	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 1.1.2024/ date of appointment	Acquired	Disposed	At 31.12.2024	
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:

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.

¹ CW Lau & Sons Sdn. Bhd.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Number of share options			
	At	Curutad	Laurad	At 22.202.4
	1.1.2024	Granted	Lapsed	31.12.2024
Options over shares in penultimate holding company – Leong Hup International Berhad				
Lau Jui Peng	1,275,000	1,275,000	(1,275,000)	1,275,000
Nam Hiok Joo	123,000	225,000	(123,000)	225,000
Loh Wee Ching	123,000	225,000	(123,000)	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	1,320,630
Defined contribution plans	250,238
Share-based payment	36,655
Benefits-in-kind	28,000
	1,635,523
Non-Executive Directors of the Company	
Short-term employee benefits	202,500
	202,500
Total Directors' remuneration	1,838,023

No indemnity or insurance effected for any Director was paid or declared by the Company for the financial year ended 31 December 2024.

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 13 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 2024 amounted to RM470,725 and RM81,500 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 11 April 2025. Signed on behalf of the Board of Directors:

LAU JUI PENG DIRECTOR NAM HIOK JOO DIRECTOR

Yong Peng

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2024 RM	2023 RM
Revenue	4	753,770,655	760,982,435
Other income	5	99,288,755	108,671,382
Purchase of trading merchandise, raw materials, livestock and poultry feeds		(511,675,227)	(523,555,978)
Changes in closing inventories		3,758,821	637,487
Changes in biological assets		57,629,669	16,877,877
Employee benefit expenses	6	(90,711,724)	(85,524,016)
Depreciation of property, plant and equipment	10	(28,312,498)	(27,723,081)
Amortisation of right-of-use assets	11	(1,087,793)	(925,274)
Utilities expense		(15,069,838)	(14,674,623)
Transportation expenses		(24,869,637)	(21,825,128)
Other expenses		(42,640,996)	(43,739,407)
Operating profit		200,080,187	169,201,674
Finance income			
- Interest income		3,557,506	1,257,448
Finance costs	7	(5,221,465)	(7,804,790)
Finance costs - net		(1,663,959)	(6,547,342)
Profit before tax	8	198,416,228	162,654,332
Tax	9	(15,055,640)	(6,851,390)
Net profit for the financial year		183,360,588	155,802,942
Other comprehensive income:			
Items that will be subsequently reclassified to profit or loss			
- Currency translation differences		(2,096,925)	1,857,661
Items that will not be subsequently reclassified to profit or loss			
- Fair value changes of equity instruments classified as FVOCI		850	170
Total other comprehensive income	·	(2,096,075)	1,857,831
Total comprehensive income for the financial year		181,264,513	157,660,773

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	2024 RM	2023 RM
Profit for the financial year attributable to:			
Owners of the Company		183,364,421	155,802,942
Non-controlling interests		(3,833)	0
		183,360,588	155,802,942
Total comprehensive income attributable to:			
Owners of the Company		181,268,346	157,660,773
Non-controlling interests		(3,833)	0
		181,264,513	157,660,773
Earnings per ordinary share attributable to the ordinary equity holders of the Company (sen):			
Basic	27(a)	30.97	26.53
Diluted	27(b)	30.97	26.53

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Note	2024 RM	2023 RM
Revenue	4	39,988,026	67,563,126
Other income	5	608	35,825
Employee benefit expenses	6	(4,529,503)	(3,209,838)
Depreciation of property, plant and equipment	10	(917,556)	(666,107)
Other expenses		(834,322)	(418,487)
Operating profit		33,707,253	63,304,519
Finance income		444,013	307,143
Finance costs	7	(41,502)	(27,386)
Finance cost - net		402,511	279,757
Profit before tax	8	34,109,764	63,584,276
Tax	9	(438,896)	180,476
Net profit and total comprehensive income for the financial year		33,670,868	63,764,752

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2024 RM	2023 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	438,534,690	387,862,864
Right-of-use assets	11	1,447,885	3,819,593
Equity instruments classified as FVOCI	14	4,446,460	7,080
Deferred tax assets	15	268,837	268,939
		444,697,872	391,958,476
CURRENT ASSETS			
Biological assets	16	131,853,810	74,224,141
Inventories	17	75,348,346	71,589,525
Trade and other receivables	18	63,221,000	63,953,661
Tax recoverable		4,181,891	4,071,984
Cash and cash equivalents	19	126,843,510	98,936,182
		401,448,557	312,775,493
TOTAL ASSETS		846,146,429	704,733,969
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	20	60,011,036	60,011,036
Treasury shares	21	(6,148,710)	(8,845,107)
Other reserves	22	(23,106,883)	(21,310,074)
Retained earnings		587,677,422	447,222,294
		618,432,865	477,078,149
Non-controlling interest		(333)	0
TOTAL EQUITY		618,432,532	477,078,149

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	2024 RM	2023 RM
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank borrowings	23	30,383,117	46,263,664
Hire purchase payables	24	0	4,004,388
Lease liabilities	25	577,941	3,241,076
Deferred tax liabilities	15	35,114,716	29,016,218
		66,075,774	82,525,346
CURRENT LIABILITIES			
Trade and other payables	26	91,278,372	79,156,574
Bank borrowings	23	67,404,588	59,856,031
Hire purchase payables	24	0	3,253,809
Lease liabilities	25	887,885	852,132
Tax liabilities		2,067,278	2,011,928
		161,638,123	145,130,474
TOTAL LIABILITIES		227,713,897	227,655,820
TOTAL EQUITY AND LIABILITIES		846,146,429	704,733,969

COMPANY STATEMENT OF FINANCIAL POSITION

ASSETS NON-CURRENT ASSETS Property, plant and equipment in subsidiaries in subsidiaries in 5 in 5 in 5 in 6,673,285 in 60,673,285 i		Note	2024 RM	2023 RM	
NON-CURRENT ASSETS Property, plant and equipment in subsidiaries 10 3,340,834 3,782,048 investments in subsidiaries 13 170,673,285 160,673,285 160,673,285 160,673,285 160,673,285 160,673,285 160,673,285 160,673,285 164,604,333 3,022,359 174,014,119 164,604,333 3,022,359 178,773 3,022,359 3,022,359 178,583,499 17,542,925 178,583,499 17,542,925 178,583,138 185,169,617 20 60,011,036 60,011,036 60,011,036 178,583,138 185,169,617 20 60,011,036 60,011,036 60,011,036 60,011,036 178,583,138 185,169,617 20 60,011,036 60,011,036 60,011,036 178,583,138 185,169,617 20 60,011,036 60,011,036 60,011,036 60,011,036 178,583,138 185,169,617 20 60,011,036 60,011,036 178,583,138 185,169,617 20 60,011,036 60,011,036 60,011,036 178,583,138 185,169,617 20 60,011,036 60,011,036 60,011,036 60,011,036 60,011,036	ASSETS		NW	Kivi	
Property, plant and equipment Investments in subsidiaries 10 3,340,834 3,782,048 (novestments in subsidiaries) 13 170,673,285 160,673,285 160,673,285 160,673,285 160,673,285 160,673,285 174,000 174,004,1119 164,604,333 174,014,1119 164,604,333 174,014,1119 164,604,333 174,014,1119 164,604,333 174,014,1119 164,604,333 174,014,1119 164,604,333 174,014,1119 164,604,333 174,014,1119 175,612,554					
Investments in subsidiaries 13 170,673,285 160,673,285 Deferred tax assets 15 0 149,000 Tax assets 174,014,119 164,604,333 CURRENT ASSETS Trade and other receivables 18 905,773 3,022,359 Tax recoverable 9,747 0 Cash and cash equivalents 19 3,653,499 17,542,925 EQUITY AND LIABILITIES EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,226 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES Non-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000	NON-CURRENT ASSETS				
Deferred tax assets 15 0 149,000 CURRENT ASSETS Trade and other receivables 18 905,773 3,022,359 Tax recoverable 9,747 0 0 Cash and cash equivalents 19 3,653,499 17,542,925 TOTAL ASSETS 178,583,138 185,169,617 EQUITY AND LIABILITIES 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES 24 0 913,324 Deferred tax liabilities 15 206,000 0	Property, plant and equipment	10	3,340,834	3,782,048	
T74,014,119 164,604,333 CURRENT ASSETS Trade and other receivables 18 905,773 3,022,359 Tax recoverable 9,747 0 Cash and cash equivalents 19 3,653,499 17,542,925 TOTAL ASSETS 178,583,138 185,169,617 EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES 24 0 913,324 Deferred tax liabilities 24 0 913,324 Deferred tax liabilities 15 206,000 0	Investments in subsidiaries	13	170,673,285	160,673,285	
CURRENT ASSETS Trade and other receivables 18 905,773 3,022,359 Tax recoverable 9,747 0 Cash and cash equivalents 19 3,653,499 17,542,925 4,569,019 20,565,284 TOTAL ASSETS 178,583,138 185,169,617 EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	Deferred tax assets	15	0	149,000	
Trade and other receivables 18 905,773 3,022,359 Tax recoverable 9,747 0 Cash and cash equivalents 19 3,653,499 17,542,925 4,569,019 20,565,284 TOTAL ASSETS 178,583,138 185,169,617 EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0			174,014,119	164,604,333	
Tax recoverable 9,747 0 Cash and cash equivalents 19 3,653,499 17,542,925 4,569,019 20,565,284 TOTAL ASSETS 178,583,138 185,169,617 EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	CURRENT ASSETS				
Cash and cash equivalents 19 3,653,499 17,542,925 4,569,019 20,565,284 TOTAL ASSETS 178,583,138 185,169,617 EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 60,011,036 76,326 76,326 8,845,107) Other reserve 22 155,418 76,326 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES NON-CURRENT LIABILITIES 4 0 913,324	Trade and other receivables	18	905,773	3,022,359	
4,569,019 20,565,284 TOTAL ASSETS 178,583,138 185,169,617	Tax recoverable		9,747	0	
TOTAL ASSETS 178,583,138 185,169,617 EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 <th c<="" td=""><td>Cash and cash equivalents</td><td>19</td><td>3,653,499</td><td>17,542,925</td></th>	<td>Cash and cash equivalents</td> <td>19</td> <td>3,653,499</td> <td>17,542,925</td>	Cash and cash equivalents	19	3,653,499	17,542,925
EQUITY AND LIABILITIES EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES 24 0 913,324 Deferred tax liabilities 15 206,000 0			4,569,019	20,565,284	
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY Share capital 20 60,011,036 60,011,036 7reasury shares 21 (6,148,710) (8,845,107) 0ther reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	TOTAL ASSETS		178,583,138	185,169,617	
Share capital 20 60,011,036 60,011,036 Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	EQUITY AND LIABILITIES				
Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Treasury shares 21 (6,148,710) (8,845,107) Other reserve 22 155,418 76,326 Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	Share capital	20	60,011,036	60,011,036	
Retained earnings 121,594,810 130,833,235 TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0		21		(8,845,107)	
TOTAL EQUITY 175,612,554 182,075,490 LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	Other reserve	22	155,418	76,326	
LIABILITIES NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	Retained earnings		121,594,810	130,833,235	
NON-CURRENT LIABILITIES Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	TOTAL EQUITY		175,612,554	182,075,490	
Hire purchase payables 24 0 913,324 Deferred tax liabilities 15 206,000 0	LIABILITIES				
Deferred tax liabilities 15 206,000 0	NON-CURRENT LIABILITIES				
Deferred tax liabilities 15 206,000 0	Hire purchase payables	24	0	913,324	
206,000 913,324		15	206,000	0	
			206,000	913,324	

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	2024 RM	2023 RM
CURRENT LIABILITIES			
Trade and other payables	26	2,764,584	1,477,467
Hire purchase payables	24	0	637,812
Tax Payable		0	65,524
		2,764,584	2,180,803
TOTAL LIABILITIES		2,970,584	3,094,127
TOTAL EQUITY AND LIABILITIES		178,583,138	185,169,617

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Z	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
At 1 January 2024		60,011,036	(8,845,107)	(8,845,107) (26,078,000)	4,228,476	4,869	534,581	447,222,294	0	0 477,078,149
Comprehensive income Net profit for the financial year Other comprehensive income		0	0	0	0	0	0	183,364,421	(3,833)	(3,833) 183,360,588
 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)	(3,833) 181,264,513
<u>Transaction with owners in their</u> <u>capacity as owners:</u>										
Buy-back of ordinary shares	21	0	(3,005,423)	0	0	0	0	0	0	(3,005,423)
Dividends paid ESOS	28	0	0	0	0	0	0	(37,207,473)	0	(37,207,473)
	22	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	21	0	5,701,820	0	0	0	0	(5,701,820)	0	0
		0	2,696,397	0	0	0	299,266	(42,909,293)	3,500	(39,910,130)
At 31 December 2024		60,011,036	(6,148,710)	(6,148,710) (26,078,000)	2,131,551	5,719	833,847	587,677,422	(333)	(333) 618,432,532

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	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	Total
At 1 January 2023		60,011,036	(8,345,642)	(8,345,642) (26,078,000)	2,370,815	4,699	534,581	306,095,173	334,592,662
<u>Comprehensive income</u> Net profit for the financial year		0	0	0	0	0	0	155,802,942	155,802,942
Other comprehensive income - Fair value changes of equity instruments classified as FVOCI		0	0	0	0	170	0	0	170
- Foreign currency translation differences		0	0	0	1,857,661	0	0	0	1,857,661
Total comprehensive income for the financial year		0	0	0	1,857,661	170	0	155,802,942	157,660,773
Transaction with owners in their capacity as owners:									
Buy-back of ordinary shares	21	0	(499,465)	0	0	0	0	0	(499,465)
Dividends paid	28	0	0	0	0	0	0	(14,675,821)	(14,675,821) (14,675,821)
		0	(499,465)	0	0	0	0	(14,675,821)	(15,175,286)
At 31 December 2023		60,011,036	(8,845,107)	(8,845,107) (26,078,000)	4,228,476	4,869	534,581	447,222,294 477,078,149	477,078,149

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital RM	Treasury shares RM	Capital contribution reserve RM	Retained earnings RM	Total RM
At 1 January 2024		60,011,036	(8,845,107)	76,326	130,833,235	182,075,490
Comprehensive income						
Net profit and total comprehensive income for the financial year		0	0	0	33,670,868	33,670,868
Transaction with owners in their capacity as owners:						
Buy-back of ordinary shares	21	0	(3,005,423)	0	0	(3,005,423)
Dividends paid	28	0	0	0	(37,207,473)	(37,207,473)
Share dividend	21	0	5,701,820	0	(5,701,820)	0
ESOS						
- value of employee service	22	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
At 1 January 2023		60,011,036	(8,345,642)	76,326	81,744,304	133,486,024
Comprehensive income Net profit and total						
comprehensive income for the financial year		0	0	0	63,764,752	63,764,752
Transaction with owners in their capacity as owners:						
Buy-back of ordinary shares		0	(499,465)	0	0	(499,465)
Dividends paid	28	0	0	0	(14,675,821)	(14,675,821)
	,	0	(499,465)	0	(14,675,821)	(15,175,286)
At 31 December 2023		60,011,036	(8,845,107)	76,326	130,833,235	182,075,490

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the financial year		183,360,588	155,802,942
Adjustments for:			
Property, plant and equipment			
- depreciation		28,312,498	27,723,081
- gain on disposal		(6,845,132)	(792,308)
- written off		1,815,339	5,260,056
Right-of-use assets			
- amortisation		1,087,793	925,274
- gain on lease termination		(281,291)	0
Inventories			
- written off		300,540	139,238
- allowance for slow moving inventories		112,115	425,995
Bad debts written off		35,281	102,270
Deposit written off		(1,000)	113,175
Allowance for/(Reversal of) impairment loss on trade receivables		254,961	(700,121)
Fair value gain on derivatives		(44,237)	(90,751)
Unrealised loss/(gain) on foreign exchange		315,738	(88,718)
Dividend income		(450)	(30)
Interest expenses		5,221,465	7,804,790
Interest income		(3,557,506)	(1,257,448)
Impairment of goodwill		0	102,424
Share-based compensation expense		299,241	0
Tax charge		15,055,640	6,851,390
		225,441,583	202,321,259
Changes in working capital:			
Increase in biological assets		(57,629,669)	(16,877,877)
Increase in inventories		(4,172,115)	(1,202,720)
Increase/(Decrease) in trade and other receivables		(1,355,783)	4,057,302
Increase in trade and other payables		10,248,366	7,857,143
Cash generated from operations		172,532,382	196,155,107
Interest received		3,557,506	1,257,448
Tax paid		(9,158,247)	(7,342,969)
Tax refund		274,309	187,546
Net cash flow generated from operating activities		167,205,950	190,257,132

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		450	30
Net cash acquired	13(b)	3,500	0
Proceeds from disposal of property, plant and equipment		29,335,758	811,251
Purchase of property, plant and equipment	10(c)	(99,990,676)	(38,675,709)
Payment for financial assets at fair value through other comprehensive income		(4,601,610)	0
Net cash flow used in investing activities		(75,252,578)	(37,864,428)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movements in bankers' acceptances		12,638,000	(64,934,000)
Payments for shares buy back		(3,005,423)	(499,465)
Proceeds from drawdown of revolving credit		2,000,000	2,000,000
Repayment of revolving credit		(2,000,000)	(7,000,000)
Proceeds from drawdown of term loans		7,395,059	17,290,356
Repayment of term loans		(28,365,049)	(12,548,983)
Repayment of hire purchase payables		(7,472,197)	(5,701,798)
Repayment of lease liabilities		(1,056,412)	(867,634)
Interest paid		(5,221,465)	(7,804,790)
Dividend paid to Company's shareholders		(37,207,473)	(14,675,821)
Net cash flow used in financing activities		(62,294,960)	(94,742,135)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		29,658,412	57,650,569
EFFECTS OF FOREIGN CURRENCY EXCHANGE TRANSLATION		(1,751,084)	185,950
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		98,936,182	41,099,663
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	19	126,843,510	98,936,182

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

						Non-cash changes	changes		
	At 1.1.2024 RM	Cash inflows RM	Cash outflows RM	Interest paid RM	Interest accretion RM	Foreign currency exchange movement RM	New leases/ hire purchase RM	Lease modification RM	At 31,12,2024 RM
Bankers' acceptances	46,813,000	46,813,000 269,694,000	(257,056,000)	(2,429,989)	2,429,989	0	0	0	59,451,000
Term loans	59,306,695	7,395,059	(28,365,049)	(2,371,771)	2,371,771	0	0	0	38,336,705
Revolving credit	0	2,000,000	(2,000,000)	(7,025)	7,025	0	0	0	0
Hire purchase payables	7,258,197	0	(7,472,197)	(254,642)	254,642	0	214,000	0	0
Bank overdrafts and other interest	0	0	0	(39,697)	39,697	0	0	0	0
Lease liabilities	4,093,208	0	(1,056,412)	(118,341)	118,341	(117,779)	1,682,189	(3,135,380)	1,465,826
	117,471,100	279,089,059	117,471,100 279,089,059 (295,949,658)	(5,221,465)	5,221,465	(117,779)	1,896,189	(3,135,380)	99,253,531
						Non-cash changes	changes		
						Foreign	New		
						currency	leases/		
	At	Cash	Cash	Interest	Interest	exchange	hire	Lease	At 12,223
	1.1.2023 RM	Inflows	outfilows	paid RM	accretion	movement	purchase	modification RM	51.12.2023 RM
Bankers' acceptances	111,747,000	308,592,000	(373,526,000)	(4,058,786)	4,058,786	0	0	0	46,813,000
Term loans	54,565,322	17,290,356	(12,548,983)	(3,002,073)	3,002,073	0	0	0	59,306,695
Revolving credit	5,000,000	2,000,000	(7,000,000)	(155,029)	155,029	0	0	0	0
Hire purchase payables	7,010,390	0	(5,701,798)	(357,410)	357,410	0	5,949,605	0	7,258,197
Bank overdrafts and other interest	0	0	0	(59,984)	59,984	0	0	0	0
Lease liabilities	3,756,313	0	(867,634)	(171,508)	171,508	226,735	1,406,525	(428,731)	4,093,208
	182,079,025	327,882,356	(399,644,415)	(7,804,790)	7,804,790	226,735	7,356,130	(428,731)	(428,731) 117,471,100

COMPANY STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the financial year		33,670,868	63,764,752
Adjustments for:			
Property, plant and equipment			
- depreciation		917,556	666,107
- gain on disposal		0	(35,825)
- written off		9,393	0
Dividend income		(37,000,000)	(65,200,000)
Interest expenses		41,502	27,386
Interest income		(444,013)	(307,143)
Share-based payments		79,092	0
Tax charge/(credit)		438,896	(180,476)
		(2,286,706)	(1,265,199)
Changes in working capital:			
Increase in trade and other receivables		(4,330)	(172,086)
Increase in trade and other payables		1,183,416	544,597
Cash used in operations		(1,107,620)	(892,688)
Tax paid		(159,167)	(53,628)
Tax refund		0	72,496
Net cash flow used in operating activities		(1,266,787)	(873,820)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received		37,000,000	66,200,000
Payment for acquisition of subsidiary, net of cash acquired		(10,000,000)	(44,166,000)
Proceeds from disposal of property, plant and equipment		0	185,000
Purchase of property, plant and equipment	10(c)	(382,034)	(879,304)
Interest received	.,	447,888	303,268
Repayment from/(Advances to) subsidiaries		2,117,041	(2,403,568)
Net cash flow generated from investing activities		29,182,895	19,239,396

COMPANY STATEMENT OF CASH FLOWS (CONTINUED)

	Note	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase payables		(1,551,136)	(304,304)
Dividend paid		(37,207,473)	(14,675,821)
Interest paid		(41,502)	(27,386)
Shares repurchased		(3,005,423)	(499,465)
Redemption of preference shares		0	14,300,000
Net cash flow used in financing activities		(41,805,534)	(1,206,976)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	2	(13,889,426)	17,158,600
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		17,542,925	384,325
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	19	3,653,499	17,542,925

COMPANY STATEMENT OF CASH FLOWS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

					Non-cash changes	hanges	
	At 1,1,2024	Cash	Cash	Interest naid	Interest	New hire	At 31,12,2024
	RM	RM	RM	RM	RM	RM	RM
Hire purchase payables	1,551,136	0	(1,551,136)	(41,502)	41,502	0	0
					Non-cash changes	hanges	
	At	Cash	Cash	Interest	Interest	New hire	At
	L.L.2023 RM	Intlows	outflows	paid RM	accretion	purchase RM	31.12.2023 RM
Hire purchase payables	105,440	0	(304,304)	(27,386)	27,386	1,750,000	1,551,136

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 robot. The principal activities of the subsidiaries are set out in Note 13 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 11 April 2025.

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 ("IFRS"), 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

2.2 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 2024:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants'
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'

The adoption of Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants' resulted in changes in accounting policies.

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

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

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2024. None of these is expected to have a material effect on the consolidated financial statements of the Group and Company, except the following set out below:

i. Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective for the financial year beginning after 1 January 2026)

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

ii. MFRS 18 'Presentation and Disclosure in Financial Statements' (effective for the financial year beginning after 1 January 2027)

MFRS 18 will replaces MFRS 101 'Presentation of Financial Statements'. The new MFRS introduces a new structure of profit or loss statement.

- 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.
- 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 above new standards and amendments including the MFRS 112 "International Tax Reform - Pillar Two Model Rules" to published standards effective from 1 January 2023 are currently being assessed by the Directors.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 significant judgements are required 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 RM131,853,810 as at 31 December 2024 (2023: RM74,224,141). The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 16 to the financial statements.

Measurement of expected credit loss ("ECL") allowance

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of reporting period. Details of the key assumptions and inputs used are disclosed in Note 31(c).

Directors and management have considered a range of possible outcomes, ie a baseline scenario and the worst-case scenario in computing the ECL. In the baseline scenario, Directors and management incorporate the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables and made adjustments to the expected loss rates accordingly. In the worst-case scenario, Directors and management consider a further increase in expected loss rate as computed in the baseline scenario. A probability-weighting of occurrence was subsequently applied to these two different scenarios to derive at the expected credit loss allowance to be made.

A reasonable possible change in the assumptions used will not result in material change to the expected credit loss allowance to be made.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Consolidation (continued)

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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 subsidiary as stated in Note 13 has 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.

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).

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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 reassessment 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.

The other ROU assets are depreciated over lease period of 3 to 5 years.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all of the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset.

Initial direct costs are also included in the initial measurement of the net investment. The net investments are subject to MFRS 9 impairment (refer to Note 3.10(d) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all of the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as lease income.

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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

(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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Financial assets (continued)

(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 – Impairment

Impairment 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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Financial assets (continued)

(d) Subsequent measurement – Impairment (continued)

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 creditimpaired, 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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 remeasured 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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Current and deferred income taxes (continued)

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 including tax benefit from reinvestment allowance, pioneer loss and green investment tax allowance 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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Share capital (continued)

(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 share

Basic 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.

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,
- 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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.18 Borrowings and borrowing costs (continued)

(i) Borrowings (continued)

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.

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, returns, 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 sales of eggs, 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.19 Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

• <u>Distribution of pet food, medicine and other animal health related products</u>

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 provision of management services

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

• Income from provision of services sales, research and development of poultry farming related intelligent machinery, equipment and robot

Revenue from provision of services, sales, research and development of poultry farming related intelligent machinery, equipment and robot 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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, 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 cash equivalents 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.

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.21 Functional currencies (continued)

(iii) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income 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.



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4 REVENUE

	Group		Company		
	2024 RM	2023 RM	2024 RM	2023 RM	
Revenue from contracts with customers:					
- Poultry farming	643,699,994	660,010,639	0	0	
 Distribution of pet food, medicine and other animal health related products 	109,816,688	100,057,326	0	0	
- Investment holding and provision of management services	0	465,775	2,988,026	2,363,126	
Revenue from other sources:					
- Dividend income from subsidiaries	0	0	37,000,000	65,200,000	
- Warehousing rental income	253,973	448,695	0	0	
Total revenue	753,770,655	760,982,435	39,988,026	67,563,126	
Timing of revenue recognition: Point in time	753,770,655	760,516,660	0	0	
Over time	0	465,775	2,988,026	2,363,126	
Total revenue	753,770,655	760,982,435	2,988,026	2,363,126	

5 OTHER INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Insurance compensation claims	115,256	782,866	0	0
Lease income	208,251	104,979	0	0
Gain on disposal of property, plant and equipment	6,845,132	792,308	0	35,825
Gain on lease termination	281,291	0	0	0
*Government subsidy/grants	91,395,696	104,761,835	0	0
Sale of scrap	335,842	221,310	0	0
Others	107,287	2,008,084	608	0
	99,288,755	108,671,382	608	35,825

^{*} Government subsidy of RM91,393,857 was recognised during the financial year ended 31 December 2024 under "Program Subsidi Ayam dan Telur". The program has been approved by the government of Malaysia on 9 February 2023. 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 December 2024 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").

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6 EMPLOYEE BENEFIT EXPENSES

	Grou	Group		Company	
	2024	2023	2024	2023	
	RM	RM	RM	RM	
Staff cost (including Directors' remuneration)					
Short-term employee benefits	83,086,037	79,067,267	3,849,775	2,815,776	
Defined contribution plan	7,126,446	6,456,749	600,636	394,062	
Defined benefit plan	200,000	0	0	0	
Share-based payment	299,241	0	79,092	0	
	90,711,724	85,524,016	4,529,503	3,209,838	

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	2024 RM	2023 RM
Executive Directors		
Short-term employee benefits	8,703,254	7,747,262
Defined contribution plan	1,586,857	1,373,850
Defined benefit plan	200,000	0
Share-based payment	83,571	0
Benefits-in-kind	75,850	51,072
	10,649,532	9,172,184
Non-Executive Directors		
Short-term employee benefits	937,158	1,151,987
Defined contribution plan	0	47,500
	937,158	1,199,487
TOTAL DIRECTORS' REMUNERATION	11,586,690	10,371,671

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

DIRECTORS' REMUNERATION (CONTINUED)

(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: (continued)

Company	2024 RM	2023 RM
Executive Directors of the Company		
Short-term employee benefits	1,320,630	648,235
Defined contribution plan	250,238	122,733
Share-based payment	36,655	0
Benefits-in-kind	28,000	7,533
	1,635,523	778,501
Non-Executive Directors of the Company		
Short-term employee benefits	202,500	168,000
TOTAL DIRECTORS' REMUNERATION	1,838,023	946,501

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

	Number of Directors	
	2024	2023
Executive Directors:		
RM 1 - RM 150,000	0	0
RM 150,001 - RM 300,000	0	0
RM 300,001 - RM 450,000	0	0
RM 450,001 - RM 600,000	0	0
RM 600,001 - RM 750,000	0	1
RM 750,001 - RM 900,000	1	0
RM 900,001 - RM 1,050,000	0	0
RM 1,050,001 - RM 1,200,000	0	0
RM 1,200,001 - RM 1,350,000	0	0
RM 1,350,001 - RM 1,500,000	0	1
RM 1,500,001 - RM 1,650,000	1	0
RM 1,650,001 - RM 1,800,000	0	0
RM 1,800,001 - RM 1,950,000	0	0
RM 1,950,001 - RM 2,100,000	0	0
RM 2,100,001 - RM 2,250,000	0	0
RM 2,250,001 - RM 2,400,000	0	0
RM 2,400,001 - RM 2,550,000	0	0
RM 2,550,001 - RM 2,700,000	0	0
RM 2,700,001 - RM 2,850,000	1	1
Non-Executive Directors:		
RM 1 - RM 150,000	3	3

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7 FINANCE COST

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest expenses				
- bank overdrafts	35,731	53,766	0	0
- bankers' acceptances	2,429,989	4,058,786	0	0
- hire purchase	254,642	357,410	41,502	27,386
- revolving credit	7,025	155,029	0	0
- term loan	2,371,771	3,002,073	0	0
- lease liabilities	118,341	171,508	0	0
- others	3,966	6,218	0	0
	5,221,465	7,804,790	41,502	27,386

8 PROFIT BEFORE TAX

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Allowance for/(Reversal of) impairment loss on trade				
receivables	254,961	(700,121)	0	0
Auditors' remuneration (*)				
- current	470,725	403,943	81,500	65,500
- overprovision of statutory audit in prior year	0	0	0	(8,000)
- overprovision of non-audit services in prior year	0	(57,140)	0	(7,500)
Property, plant and equipment				
- gain on disposal	(6,845,132)	(792,308)	0	(35,825)
- written off	1,815,339	5,260,056	9,393	0
Inventories				
- written off	300,540	139,238	0	0
Short-term leases	657,656	791,286	0	0
Lease of low value assets	247,947	243,526	0	0
Unrealised foreign exchange loss/(gain)	315,738	(88,718)	0	0

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8 PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
* Details of auditors' remuneration:				
Fees for statutory audit				
- PricewaterhouseCoopers PLT Malaysia	284,500	235,900	75,000	60,000
- Member firm of PricewaterhouseCoopers International Limited	173,225	157,043	0	0
	457,725	392,943	75,000	60,000
Fees for assurance related services				
- PricewaterhouseCoopers PLT Malaysia	13,000	11,000	6,500	5,500
Total	470,725	403,943	81,500	65,500

9 TAX

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Current tax</u>				
Current tax on profit for the year:				
- Malaysian tax	8,813,318	7,595,013	127,000	189,000
- Foreign tax	542,266	516,526	0	0
(Over)/Under accrual in prior financial years	(622,671)	23,007	(43,104)	(1,476)
Total current tax expense	8,732,913	8,134,546	83,896	187,524
Deferred income tax				
(Increase)/Decrease in				
deferred tax assets (Note 15)	(2,038)	(30,700)	149,000	(149,000)
Increase/(Decrease) in deferred tax liabilities (Note 15)	6,199,990	(1,252,456)	206,000	(219,000)
Total deferred tax expense/(benefit)	6,197,952	(1,283,156)	355,000	(368,000)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9 TAX (CONTINUED)

	Group		Com	Company	
	2024	2023	2024	2023	
	RM	RM	RM	RM	
Real property gains tax					
Real property gains tax charge	124,775	0	0	0	
Tax expense/(credit)	15,055,640	6,851,390	438,896	(180,476)	

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		
	2024 RM	2023 RM	2024 RM	2023 RM	
Profit before tax	198,416,228	162,654,332	34,109,764	63,584,276	
Tax is at the applicable tax rate Tax effects of:	47,456,740	38,865,247	8,186,000	15,260,000	
- income not subject to tax	(34,479,129)	(34,058,000)	(8,880,000)	(15,648,000)	
- expenses not deductible for tax purposes	3,547,053	2,234,717	1,176,000	209,000	
- utilisation of tax losses previously not recognised	(5,133)	0	0	0	
- utilisation of tax incentive	(81,043)	(116,144)	0	0	
- real property gains tax	124,775	0	0	0	
 utilisation of green investment tax allowance previously not recognised 	0	(53,844)	0	0	
 utilisation of reinvestment allowance previously not recognised 	(879,102)	(43,593)	0	0	
 recognition of previously unrecognised deferred taxes 	(5,850)	0	0	0	
- (over)/under accrual in prior financial years	(622,671)	23,007	(43,104)	(1,476)	
Tax expense/(credit)	15,055,640	6,851,390	438,896	(180,476)	

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	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
Less: Accumulated depreciation					
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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

		Furniture,		Capital	
	Motor vehicles	fittings and	Renovation and hostel	work-in-	Total
Group	venicies	equipment RM	and noster RM	progress RM	Total RM
At cost					
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
Less: Accumulated depreciation					
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
Less: Accumulated impairment					
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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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		
		Farm		, ,		
	Freehold	poultry		Freehold	Factory	
	land	buildings	Total	land	buildings	Total
	RM	RM	RM	RM	RM	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
Less: Accumulated depreciation		47 400 504	47 400 50 4		40 - 4- 440	10 545 440
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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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
At cost					
As at 1 January 2023	191,193,520	69,088,748	171,321,134	93,147,256	515,724
Additions	3,012,211	291,235	6,073,314	6,883,322	0
Disposals	0	0	(70,440)	0	0
Write off	(4,150,175)	(1,774,330)	(16,822,798)	(4,551,896)	0
Reclassification	4,756,367	202,488	7,474,828	5,800,302	0
Foreign exchange difference	0	1,795,796	256,667	0	0
As at 31 December 2023	194,811,923	69,603,937	168,232,705	101,278,984	515,724
Less: Accumulated depreciation					
As at 1 January 2023	46,411,207	12,334,484	89,823,256	34,255,026	294,482
Charge for the financial year	3,962,214	1,353,891	14,179,716	3,567,671	23,117
Disposals	0	0	(69,151)	0	0
Write off	(2,940,887)	(321,566)	(15,236,689)	(3,736,938)	0
Foreign exchange difference	0	178,639	233,141	0	0
As at 31 December 2023	47,432,534	13,545,448	88,930,273	34,085,759	317,599
Net carrying amount as at 31 December 2023	147,379,389	56,058,489	79,302,432	67,193,225	198,125

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor	Furniture, fittings and	Renovation	Capital work-in-	
Group	vehicles RM	equipment RM	and hostel RM	progress RM	Total RM
At cost					
As at 1 January 2023	31,621,157	29,749,712	2,047,816	10,917,134	599,602,201
Additions	8,101,624	2,019,069	109,191	17,469,839	43,959,805
Disposals	(3,290,237)	0	0	0	(3,360,677)
Write off	(987,634)	(13,270)	(9,988)	0	(28,310,091)
Reclassification	0	0	0	(18,233,985)	0
Foreign exchange difference	153,001	34,705	17,983	0	2,258,152
As at 31 December 2023	35,597,911	31,790,216	2,165,002	10,152,988	614,149,390
Less: Accumulated depreciation					
As at 1 January 2023	26,166,619	13,456,110	1,554,391	0	224,295,575
Charge for the financial year	2,935,622	1,403,882	296,968	0	27,723,081
Disposals	(3,272,583)	0	0	0	(3,341,734)
Write off	(801,820)	(10,054)	(2,081)	0	(23,050,035)
Foreign exchange difference	120,613	29,903	12,443	0	574,739
As at 31 December 2023	25,148,451	14,879,841	1,861,721	0	226,201,626
Less: Accumulated impairment					
As at 1 January 2023/ 31 December 2023	0	0	0	84,900	84,900
Net carrying amount as at 31 December 2023	10,449,460	16,910,375	303,281	10,068,088	387,862,864

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	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		
At cost								
As at 1 January 2023	81,168,993	110,024,527	191,193,520	15,287,203	53,801,545	69,088,748		
Additions	2,444,657	567,554	3,012,211	0	291,235	291,235		
Disposals	0	0	0	0	0	0		
Write off	0	(4,150,175)	(4,150,175)	0	(1,774,330)	(1,774,330)		
Reclassification	0	4,756,367	4,756,367	82,982	119,506	202,488		
Foreign exchange differences	0	0	0	0	1,795,796	1,795,796		
As at 31 December 2023	83,613,650	111,198,273	194,811,923	15,370,185	54,233,752	69,603,937		
Less: Accumulated depreciation								
As at 1 January 2023	0	46,411,207	46,411,207	0	12,334,484	12,334,484		
Charge for the financial year	0	3,962,214	3,962,214	0	1,353,891	1,353,891		
Write off	0	(2,940,887)	(2,940,887)	0	(321,566)	(321,566)		
Foreign exchange differences	0	0	0	0	178,639	178,639		
As at 31 December 2023	0	47,432,534	47,432,534	0	13,545,448	13,545,448		
Net carrying amount as at 31 December 2023	83,613,650	63,765,739	147,379,389	15,370,185	40,688,304	56,058,489		



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment RM	Motor vehicles RM	Total RM
At cost			
As at 1 January 2024	4,142,300	2,527,901	6,670,201
Additions	304,775	180,960	485,735
Write off	(99,028)	0	(99,028)
As at 31 December 2024	4,348,047	2,708,861	7,056,908
Less: Accumulated depreciation			
As at 1 January 2024	2,569,895	318,258	2,888,153
Charge for the financial year	381,830	535,726	917,556
Write off	(89,635)	0	(89,635)
As at 31 December 2024	2,862,090	853,984	3,716,074
Net carrying amount as at 31 December 2024	1,485,957	1,854,877	3,340,834
At cost			
As at 1 January 2023	3,860,014	505,942	4,365,956
Additions	282,286	2,301,619	2,583,905
Disposal	0	(279,660)	(279,660)
As at 31 December 2023	4,142,300	2,527,901	6,670,201
Less: Accumulated depreciation			
As at 1 January 2023	2,197,771	154,760	2,352,531
Charge for the financial year	372,124	293,983	666,107
Disposal	0	(130,485)	(130,485)
As at 31 December 2023	2,569,895	318,258	2,888,153
Net carrying amount as at 31 December 2023	1,572,405	2,209,643	3,782,048

⁽a) Certain property, plant and equipment of certain subsidiaries with carrying amount of RM NIL (2023: RM6,896,246) have been pledged to banks as security for banking facilities granted to the Group (Note 23).

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) The following property, plant and equipment were acquired under hire purchase instalment plans (Note 24):

	Grou	ıp	Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Carrying amount				
Plant and machinery	0	3,594,802	0	0
Motor vehicles	0	7,304,450	0	2,092,175
	0	10,899,252	0	2,092,175

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cost of property, plant and equipment				
purchased	103,919,794	43,959,805	485,735	2,583,905
Amount financed through hire purchase	(214,000)	(5,949,605)	0	(1,750,000)
Unpaid balance included under sundry payables				
(Note 26(a)(c))	(5,527,451)	(1,812,333)	(103,701)	0
Cash disbursed in respect of purchases made in				
previous financial year	1,812,333	2,477,842	0	45,399
Cash disbursed for purchase of property,				
plant and equipment	99,990,676	38,675,709	382,034	879,304

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11 RIGHT-OF-USE ("ROU") ASSETS

	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
Cont	12.706	2 125 420	2 140 125
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
2023			
At 1 January 2023	3,222,989	330,956	3,553,945
Additions during the financial year	106,699	1,299,826	1,406,525
Depreciation	(124,992)	(800,282)	(925,274)
Lease modification	(428,731)	0	(428,731)
Currency translation difference	201,083	12,045	213,128
At 31 December 2023	2,977,048	842,545	3,819,593
Cost	3,575,140	2,367,586	5,942,726
Less: Accumulated depreciation	(598,092)	(1,525,041)	(2,123,133)
Net carrying amount	2,977,048	842,545	3,819,593

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12 GOODWILL ARISING ON CONSOLIDATION

	Gro	oup
	2024 RM	2023 RM
As at 1 January	0	102,424
Less: Write off (*)	0	(102,424)
As at 31 December	0	0

^{*} The management has decided to write off the goodwill related to its subsidiary, Professional Vet Enterprise Sdn. Bhd., due to unsatisfactory financial performance following the acquisition in the prior financial year.

The above goodwill arises from the acquisition of subsidiary, Professional Vet Enterprise Sdn. Bhd. and was allocated to its pet food, medicine and other animal health related products operation in East Malaysia. It is not deemed to be material to the Group.

13 INVESTMENTS IN SUBSIDIARIES

	Comp	any
	2024	2023
	RM	RM
At beginning of financial year	160,673,285	130,807,285
Additions	10,000,000	44,166,000
Redemption of preference shares	0	(14,300,000)
At end of financial year	170,673,285	160,673,285
Represented by:		
Unquoted shares, at cost		
- in Malaysia	169,224,400	159,224,400
- outside Malaysia	1,448,885	1,448,885
	170,673,285	160,673,285

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Percent issued sha		Principal activities
		2024 %	2023 %	
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	Management and renting of poultry related properties, planting, trading and processing of fruits and related products.
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 Farm	ming Sdn. Bhd.			
Laskar Fertiliser Sdn. Bhd.	Malaysia	100	100	Management and renting of poultry related properties.
Teo Seng Integrated Farming Sdn. Bhd.	Malaysia	100	100	Poultry farming, manufacturing and marketing of animal feeds, fertiliser and related poultry products – yet to commence operations.

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13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal place of business/ Country of incorporation		tage of are capital	Principal activities
		2024 %	2023 %	
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 Presta	si Sdn. Bhd.			
B-Tech Aquaculture Sdn. Bhd.	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	NIL	Provision of services, sales, research and development of poultry farming related intelligent machinery, equipment and robot.

- * Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.
- On 11 November 2024, the Company invested additional RM10,000,000 in Teo Seng Feedmill Sdn. Bhd..
- On 5 June 2024, Ritma Prestasi Sdn. Bhd. acquired 65% of the issued share capital of Trendata Science Sdn. Bhd..
- (a) Detail of the purchase consideration, net assets acquired, and goodwill are as follows:

	2024 RM
Cash paid	6,500

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

	Fair Value RM
Cash and cash equivalents/Net identifiable assets acquired	10,000
Less: Non-controlling interests	(3,500)
Net assets acquired	6,500

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13 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Purchase consideration – cash outflow are as follows:

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

14 EQUITY INSTRUMENTS CLASSIFIED AS FVOCI

	Grou	ab
	2024 RM	2023 RM
Quoted shares in Malaysia	7,930	7,080
Unquoted shares outside Malaysia	4,438,530	0
	4,446,460	7,080

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 31(e)(i) for disclosure of fair values information on the quoted shares.

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15 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets - subject to income tax	2024 RM	2023 RM	2024	2023
	RM	RM		
			RM	RM
· subject to income tax				
	268,837	268,939	0	149,000
Deferred tax liabilities				
subject to income tax	(32,729,716)	(25,630,968)	(206,000)	0
subject to real property gains tax	(2,385,000)	(3,385,250)	0	0
	(35,114,716)	(29,016,218)	(206,000)	0
	(34,845,879)	(28,747,279)	(206,000)	149,000
The movements during the financial year are as follows:				
At beginning of the financial year	(28,747,279)	(29,745,707)	149,000	(219,000)
Charged/(Credited) to profit or loss (Note 9)				
property, plant and equipment	7,261,188	3,542,085	(355,000)	368,000
- biological assets	(13,467,000)	(2,168,000)	0	0
- inventory	22,568	5,990	0	0
receivables/payables	187,292	(96,919)	0	0
- unutilised tax losses	(202,000)	0	0	0
	(6,197,952)	1,283,156	(355,000)	368,000
foreign exchange differences	99,352	(284,728)	0	0
At end of the financial year	(34,845,879)	(28,747,279)	(206,000)	149,000
Subject to income tax				
Deferred tax assets (before offsetting)				
property, plant and equipment	186,892	149,000	0	149,000
receivables/payables	630,560	486,851	0	0
- inventory	28,558	5,990	0	0
- unutilised tax losses	3,941,000	4,143,000	0	0
	4,787,010	4,784,841	0	149,000
Offsetting	(4,518,173)	(4,515,902)	0	0
Deferred tax assets (after offsetting)	268,837	268,939	0	149,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Subject to income tax (continued)				
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	(23,106,889)	(29,472,870)	(206,000)	0
- biological assets	(14,141,000)	(674,000)	0	0
	(37,247,889)	(30,146,870)	(206,000)	0
Offsetting	4,518,173	4,515,902	0	0
Deferred tax liabilities (after offsetting)	(32,729,716)	(25,630,968)	(206,000)	0
Subject to real property gains tax				
Deferred tax liabilities				
- property, plant and equipment	(2,385,000)	(3,385,250)	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 and C	Company
	2024 RM	2023 RM
Unabsorbed capital allowances	3,879,000	3,108,000
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	5,599,440	9,095,914
Unutilised tax losses	374,000	374,000
	19,680,761	22,406,235

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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

<u>Deferred tax assets not recognised</u> (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:

	Grou	ір
	2024	2023
	RM	RM
Unutilised pioneer losses:		
<u>Year</u>		
2032	1,679,000	1,679,000
Unutilised reinvestment allowances:		
<u>Year</u>		
2025	5,599,440	9,095,914
Unutilised tax losses:		
Year		
2028	374,000	374,000

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

16 BIOLOGICAL ASSETS

	Grou	р
	2024	2023
	RM	RM
At fair value less cost to sell		
Pullets and layers	131,853,810	74,224,141

The movement of biological assets can be analysed as follows:

	Grou	р
	2024	2023
	RM	RM
At 1 January	74,224,141	57,346,264
Increase due to purchases	18,249,150	13,476,129
Livestock losses	(5,201,522)	(6,553,431)
Change in fair value	86,680,827	35,271,676
Depopulation	(42,098,786)	(25,316,497)
At 31 December	131,853,810	74,224,141

The biological assets comprise pullets and layers. During the financial year, the Group sold approximately 1.56 billion (2023: 1.40 billion) of table eggs. The number of pullets and layers as at 31 December 2024 included in the fair valuation of biological assets was 6.4 million (2023: 5.8 million).

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16 BIOLOGICAL ASSETS (CONTINUED)

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
- The valuation method considers the expected cash inflow from the table eggs produced, 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: • 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. • discount rate - based on weighted average cost of capital and adjusted for risk specific to the biological assets	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 key assumptions used for the fair value calculation are as follows:

	Gro	ир
	2024	2023
Number of table eggs produced by each layer	424	411
Projected selling prices of the table eggs (RM per egg)	0.470	0.419
Feed costs (RM per MT)	1.7379	1.715
Discount rate	10%	10%

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16 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 RM10,770,944.

If the estimated feed costs had been 3% higher, the fair value of the biological assets would have decreased by RM6,632,093.

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.

17 INVENTORIES

	Grou	ıp
	2024 RM	2023 RM
Raw materials	23,880,851	24,346,835
Trading merchandise	37,585,659	34,883,084
Poultry feeds	1,791,637	1,884,335
Medication	1,255,524	1,065,446
Consumables	2,286,323	1,996,119
Eggs	4,304,931	4,320,986
Egg trays	2,216,821	2,002,355
Fertiliser	92,416	72,302
Fertiliser work-in-progress	1,369,234	776,966
Frozen layer hens	97,635	231,737
Seeding	0	9,360
Al equipment	467,315	0
	75,348,346	71,589,525

Inventories recognised as an expense during the financial year ended 31 December 2024 amounted to RM507,916,406 (2023: RM522,918,491).

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18 TRADE AND OTHER RECEIVABLES

	Grou	р	Compa	ny
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial assets:				
Trada yasaii yahlas				
<u>Trade receivables</u> Amounts due from related companies	3,899,100	2,900,677	0	0
Amounts due from related parties	164,109	432,120	0	0
Trade receivables - external	45,440,672	47,920,206	0	0
Trade receivables external	43,440,072	47,720,200		
	49,503,881	51,253,003	0	0
Less: Loss allowance for trade receivables	(1,367,637)	(1,139,013)	0	0
	48,136,244	50,113,990	0	0
Other receivables	0	0	402 472	2 522 200
Amounts due from subsidiaries	0	0	402,473	2,523,389
Sundry receivables	284,793	3,848,021 7,265,650	0 7,632	0 33,732
Deposits	9,052,482	7,265,650	7,632	33,/32
	9,337,275	11,113,671	410,105	2,557,121
Total financial assets	57,473,519	61,227,661	410,105	2,557,121
Non-financial assets:				
Contract assets	340,040	154,720	0	0
Goods and services tax recoverable	63,134	63,134	0	0
Prepayments	5,344,307	2,508,146	495,668	465,238
Total non-financial assets	5,747,481	2,726,000	495,668	465,238
Total trade and other receivables	63,221,000	63,953,661	905,773	3,022,359

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

	Group	
	2024 RM	2023 RM
At 1 January	1,139,013	1,793,129
Allowance/(Reversal) of loss allowance on trade receivables recognised in profit or loss during the financial year Foreign exchange differences	254,961 (26,337)	(700,121) 46,005
At 31 December	1,367,637	1,139,013

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18 TRADE AND OTHER RECEIVABLES (CONTINUED)

- (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 decreased the gross carrying amount by 3.4%, resulting in increase in loss allowance of RM119,994;
 - (ii) decrease in receivables balance which aged more than 180 days past due resulted in the increase in loss allowance of RM134,967.
- (b) The Group and the Company's normal credit terms range from cash term to 150 days (2023: 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. Except for the advances to a subsidiary RM NIL (2023: RM1,503,875) which bear interest at NIL (2023: 3.10%) per annum.

19 CASH AND CASH EQUIVALENTS

	Gro	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM	
Cash at hand	72,729	560,770	98	98	
Demand deposits	102,112,281	98,375,412	3,653,401	17,542,827	
Fixed deposits with licensed banks	24,658,500	0	0	0	
	126,843,510	98,936,182	3,653,499	17,542,925	

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

Fixed deposits of the Group are placed with a financial institution, bearing interest rate at 2.83% (2023: NIL) per annum and tenure ranges from 1 month to 3 months (2023: NIL).

20 SHARE CAPITAL

	Group and Company	
	2024	2023
	RM	RM
Ordinary shares issued and fully paid, at no par value		
At 1 January/31 December 600,016,350 (2023: 300,008,175) ordinary shares	60,011,036	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.

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21 TREASURY SHARES

On 28 May 2024, 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.

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.

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

As part of the bonus issue detailed in Note 20(b), the Company was allotted 3,246,587 new treasury shares.

As at 31 December 2024, the Company held as treasury shares a total of 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 RM6,148,710.

	Group and Company		
	Number of shares	RM	
31 December 2022/At 1 January 2023	6,156,700	8,345,642	
Shares bought back on-market	515,700	499,465	
At 31 December 2023/1 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	
At 31 December 2024	7,346,974	6,148,710	

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22 OTHER RESERVES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-distributable				
Fair value reserve				
- FVOCI	5,719	4,869	0	0
Capital contribution reserve	833,847	534,581	155,418	76,326
Currency translation reserve	2,131,551	4,228,476	0	0
Reverse acquisition reserve	(26,078,000)	(26,078,000)	0	0
	(23,106,883)	(21,310,074)	155,418	76,326

(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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23 BANK BORROWINGS

	Grou	ıb
	2024 RM	2023 RM
CURRENT	KM	KM
<u>Secured</u>		
Term loans	0	514,940
<u>Unsecured</u>		
Bankers' acceptances	59,451,000	46,813,000
Term loans	7,953,588	12,528,091
	67,404,588	59,856,031
NON-CURRENT		
<u>Unsecured</u>		
Term loans	30,383,117	46,263,664
	30,383,117	46,263,664
TOTAL		
<u>Secured</u>		
Term loans	0	514,940
<u>Unsecured</u>		
Bankers' acceptances	59,451,000	46,813,000
Term loans	38,336,705	58,791,755
	97,787,705	106,119,695

- (a) The secured bank borrowings of the Group are secured by the followings:
 - (i) Certain property, plant and equipment of certain subsidiaries (Note 10(a)); and
 - (ii) Corporate guarantee by the Company.
- (b) The unsecured bank borrowings of the Group are covered by a corporate guarantee by the Company and a negative pledge on subsidiaries' assets.
- (c) The term loans are repayable over 60 to 96 monthly instalments, commencing from August 2021 through to July 2031.

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23 BANK BORROWINGS (CONTINUED)

(d) The weighted average effective interest rates at the end of the reporting year for bank borrowings were as follows:

	2024 % per annum	2023 % per annum
Bankers' acceptances	4.2	4.1
Term loans	5.4	5.4

24 HIRE PURCHASE PAYABLES

	Grou	p	Compar	ny
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease payments under hire purchase liabilities are:				
Not later than one financial year	0	3,492,717	0	644,666
Later than one financial year and not later than five financial years	0	4,200,603	0	977,879
	0	7,693,320	0	1,622,545
Less: Future finance charges	0	(435,123)	0	(71,409)
Present value of the hire purchase liabilities	0	7,258,197	0	1,551,136
Present value of hire purchase liabilities:				
Current	0	3,253,809	0	637,812
Non-current	0	4,004,388	0	913,324
	0	7,258,197	0	1,551,136

The weighted average effective interest rates at the end of the reporting year for hire purchase payables were as follows:

	Group		Company	
	2024 % per annum	2023 % per annum	2024 % per annum	2023 % per annum
Hire purchase payables	NIL	1.5 - 6.7	NIL	1.5 – 4.3

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25 LEASE LIABILITIES

	Group	
	2024 RM	2023 RM
Amount due for settlement within 12 months - current	887,885	852,132
Amount due for settlement after 12 months - non-current	577,941	3,241,076
At 31 December	1,465,826	4,093,208
Maturity analysis		
Not more than 1 year	930,211	1,000,813
Later than 1 year and not later than 2 years	579,789	287,239
Later than 2 years and not later than 5 years	0	673,320
Later than 5 years	0	4,594,215
At 31 December	1,510,000	6,555,587

Included in the above lease liabilities is one lease contract which its lease payments are subject to an annual revision based on market rent but the amount of the rental increase is not to exceed a certain percentage. The lease liabilities are measured using the lease rate as at the latest market rent review.

Total cash outflow for leases are as follows:

	Group	
	2024 RM	2023 RM
Lease payment within financing activities	1,174,753	1,039,142
Cash flows relating to short-term leases included in administrative expenses	657,656	791,286
Cash flows relating to low-value assets included in administrative expenses	247,947	243,526
Total cash outflow for leases	2,080,356	2,073,954

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26 TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial liabilities:				
Trade payables				
Amounts due to related companies	3,983,367	4,809,598	0	0
Amounts due to related parties	939,744	798,750	0	0
Trade payables - external	43,566,077	38,045,502	0	0
	48,489,188	43,653,850	0	0
Other payables				
Amounts due to related companies (non-trade)	36,782	8,604	36,110	8,268
Accruals	5,197,961	6,036,606	79,395	128,842
Deposit payables	50,000	2,956,895	0	0
Sundry payables	12,204,774	7,049,032	596,521	95,524
Derivative financial liabilities	0	44,237	0	0
	17,489,517	16,095,374	712,026	232,634
Total financial liabilities	65,978,705	59,749,224	712,026	232,634
Non-financial liabilities:				
Employee benefit obligations				
Short-term employee benefits	22,061,315	16,097,431	1,530,464	925,927
Defined contributions plan	2,877,633	2,859,363	522,094	318,906
Others				
Contract liabilities	86,000	165,000	0	0
Sales and services tax payables	274,719	285,556	0	0
Total non-financial liabilities	25,299,667	19,407,350	2,052,558	1,244,833
Total trade and other payables	91,278,372	79,156,574	2,764,584	1,477,467

⁽a) The normal trade terms granted to the Group range from cash term to 90 days (2023: 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.

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26 TRADE AND OTHER PAYABLES (CONTINUED)

- (c) Included in sundry payables of the Group and Company is an amount of RM5,527,451 (2023: RM1,812,333) and RM103,701 (2023: RM NIL) respectively payable for the purchase of property, plant and equipment (Note 10(c)).
- (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. 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.

27 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	
	2024	2023*
Profit attributable to ordinary equity holders of the Company (RM)	183,364,421	155,802,942
Weighted average number of ordinary shares in issue (units)	592,086,411	587,167,966
Basic earnings per ordinary share (sen)	30.97	26.53

^{*} The earnings per share calculations for the current and prior financial year have been adjusted for the bonus issue undertaken during the current financial year. The weighted average number of ordinary shares in issue (units) and basic earnings per ordinary share (sen) have been adjusted from 293,583,983 to 587,167,966 and from 53.07 sen to 26.53 sen in prior year.

(b) <u>Diluted earnings per share</u>

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

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28 DIVIDENDS PAID

	Group and Company	
	2024 RM	2023 RM
In respect of the financial year ended 31 December 2023:		
First interim single-tier dividend of 2.0 sen per ordinary share on 293,787,375 ordinary shares	0	5,875,748
Second interim single-tier dividend of 3.0 sen per ordinary share on 293,335,775 ordinary shares	0	8,800,073
Third interim single-tier dividend of 3.0 sen per ordinary share on 293,335,775 ordinary shares	8,800,073	0
Fourth interim single-tier dividend of treasury shares distribution of 2.8 sen on 5,103,623 ordinary shares	141,672	0
In respect of the financial year ended 31 December 2024:		
First interim single-tier dividend of 2.5 sen per ordinary share on 297,637,088 ordinary shares	7,440,923	0
Second interim single-tier dividend of 3.0 sen per ordinary share on 297,637,088 ordinary shares	8,929,113	0
Third interim single-tier dividend of 4.0 sen per ordinary share on 297,392,288 ordinary shares	11,895,692	0
	37,207,473	14,675,821

On 17 February 2025, the Company declared a fourth interim single-tier dividend of RM0.02 per ordinary share in respect of the financial year ended 31 December 2024, to be paid to the shareholders on 20 March 2025.

The Directors do not recommend the payment of final single-tier dividend for the financial year ended 31 December 2024.

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29 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Significant related party relationship

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

Name of the Company Relationship

Emerging Glory Sdn. Bhd. ("EGSB")

Leong Hup International Berhad ("LHI")

Advantage Valuations Sdn. Bhd.

Ultimate holding company

Penultimate holding company

Immediate holding company

Teo Seng Farming Sdn. Bhd.

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 Ltd1 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
Han Soon Inn⁴ Related party

Perunas Holdings Sdn. Bhd.³ Related party (ceased on 1 April 2024)

Teratai Agriculture Sdn. Bhd.³ Related party

- The related companies are the indirect subsidiaries of the EGSB.
- 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.
- 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.
- ⁴ Spouse of Na Yok Chee, Director of the Company.

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Group

29 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		
	2024	2023	
	RM	RM	
With related companies			
- sale of goods	(19,106,140)	(17,145,184)	
- purchase of goods	23,997,127	22,744,084	
With companies controlled by the Lau family			
- sale of goods	(1,979,860)	(2,829,952)	
With company controlled by the Nam family			
- transport charges	11,108,940	9,959,041	
	Comp	201/	
	Compa		
	2024 RM	2023 RM	
	KIVI	KIVI	
With subsidiaries			
- dividend income	(37,000,000)	(65,200,000)	
- investment holding and provision of management services	(2,988,026)	(2,363,126)	

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29 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		Compa	ny
	2024 RM	2023 RM	2024 RM	2023 RM
Remuneration of Executive Directors of the Company (Note 6)	5,203,458	4,870,553	1,635,523	778,501
Remuneration of Executive Directors of the subsidiaries (Note 6)	5,446,074	4,301,631	0	0
	10,649,532	9,172,184	1,635,523	778,501
Remuneration of Non-Executive Directors of the Company (Note 6)	202,500	168,000	202,500	168,000
Remuneration of Non-Executive Directors of the subsidiaries (Note 6)	734,658	1,031,487	0	0
	937,158	1,199,487	202,500	168,000
Other key management personnel				
Short-term employee benefits	4,044,947	3,366,126	1,478,636	1,242,086
Defined contribution plan	657,571	472,937	248,791	176,140
Share based payment	57,668	0	37,712	0
Benefits-in-kind	35,050	23,265	23,950	15,461
	4,795,236	3,862,328	1,789,089	1,433,687
	16,381,926	14,233,999	3,627,112	2,380,188

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30 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 two main operating segments:

- Poultry production of eggs, animal feeds, paper egg trays, and fertiliser by-product.
- Trading and others distribution of pet food, medicine, and other animal health related products, 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 is measured based on all assets of the segment other than tax-related assets and equity instrument classified as FVOCI.
- (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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 OPERATING SEGMENTS (CONTINUED)

Business segments

	Poultry RM	Trading & Others RM	Intersegment elimination RM	Group RM
2024				
REVENUE				
- external revenue	643,699,994	110,070,661	0	753,770,655
- inter-segment revenue	0	72,511,927	(72,511,927)	0
CONSOLIDATED REVENUE	643,699,994	182,582,588	(72,511,927)	753,770,655
RESULTS				
Segment profit before interest and tax	215,905,938	45,030,034	(60,855,785)	200,080,187
Finance income				3,557,506
Finance costs				(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	94,761,388	(8,496,632)	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

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30 OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

	Poultry RM	Trading & Others RM	Intersegment elimination RM	Group RM
2024				
LIABILITIES				
Segment liabilities	75,516,269	25,001,657	(7,773,728)	92,744,198
Unallocated liabilities:				
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	1,224,573	0	103,919,794
Depreciation	26,240,434	2,072,064	0	28,312,498
Non-cash item (other than depreciation)				
 (reversal of)/allowance for impairment loss on trade receivables 	(13,697)	268,658	0	254,961
- gain on disposal of property, plant and equipment	(6,802,632)	(42,500)	0	(6,845,132)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

	Poultry RM	Trading & Others RM	Intersegment elimination RM	Group RM
2023				
REVENUE				
- external revenue	660,010,639	100,971,796	0	760,982,435
- inter-segment revenue	0	97,220,937	(97,220,937)	0
CONSOLIDATED REVENUE	660,010,639	198,192,733	(97,220,937)	760,982,435
RESULTS				
Segment profit before interest and tax	159,762,084	69,404,892	(59,965,302)	169,201,674
Finance income				1,257,448
Finance costs				(7,804,790)
CONSOLIDATED PROFIT BEFORE TAX				162,654,332
Tax				(6,851,390)
CONSOLIDATED PROFIT AFTER TAX			_	155,802,942
ASSETS				
Segment assets	612,788,189	98,594,002	(10,996,225)	700,385,966
Unallocated assets:				
Deferred tax assets				268,939
Financial assets				7,080
Tax recoverable			_	4,071,984
CONSOLIDATED TOTAL ASSETS			_	704,733,969

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30 OPERATING SEGMENTS (CONTINUED)

Business segments (continued)

	Poultry RM	Trading & Others RM	Intersegment elimination RM	Group RM
2023				
LIABILITIES				
Segment liabilities	75,293,116	18,100,349	(10,143,683)	83,249,782
Unallocated liabilities:				
Borrowings				113,377,892
Tax payable and deferred tax liabilities				31,028,146
CONSOLIDATED TOTAL LIABILITIES			_	227,655,820
OTHER SEGMENT ITEMS				
Capital expenditure	39,266,915	4,692,890	0	43,959,805
Depreciation	25,768,615	1,954,466	0	27,723,081
Non-cash item (other than depreciation)				
- reversal of impairment loss on trade receivables	(469,506)	(230,615)	0	(700,121)
- gain on disposal of property, plant and equipment	(703,483)	(88,825)	0	(792,308)

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.

	Reve	nue	Non-curre	nt assets
	2024	2024 2023		2023
	RM	RM	RM	RM
Group				
Malaysia	565,230,028	532,082,312	437,181,789	364,702,187
Singapore	171,412,208	203,554,081	2,800,786	26,980,270
Others	17,128,419	25,346,042	0	0
	753,770,655	760,982,435	439,982,575	391,682,457

Major customers

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

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31 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.

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 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:

		Currency e	xposure as at 31	12.2024	
	SGD	USD	EUR	Others	Total
Group	RM	RM	RM	RM	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 cash equivalents	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

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31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Foreign currency risk (continued)

	Currency exposure as at 31.12.2023				
Group	SGD RM	USD RM	EUR RM	Others RM	Total RM
FINANCIAL ASSETS					
Trade and other receivables	10,697,736	490,662	3,551,786	21,603	14,761,787
Cash and cash equivalents	2,356,983	2,988,463	13,935	31,682	5,391,063
	13,054,719	3,479,125	3,565,721	53,285	20,152,850
FINANCIAL LIABILITY					
Trade and other payables	(185)	(12,009,676)	(232,260)	(54,087)	(12,296,208)
	(185)	(12,009,676)	(232,260)	(54,087)	(12,296,208)
Less: Forward foreign currency contracts (contracted notional principal)	0	3,587,842	0	0	3,587,842
NET CURRENCY EXPOSURE	13,054,534	(4,942,709)	3,333,461	(802)	11,444,484

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:

	Grou	ıb
	2024	2023
	RM	RM
Effects on profit after tax and equity		
SGD/RM		
- strengthened by 5% (2023: 5%)	434,547	496,072
- weakened by 5% (2023: 5%)	(434,547)	(496,072)
USD/RM		
- strengthened by 5% (2023: 5%)	(747,488)	(187,823)
- weakened by 5% (2023: 5%)	747,488	187,823
EUR/RM		
- strengthened by 5% (2023: 5%)	(87,647)	126,672
- weakened by 5% (2023: 5%)	87,647	(126,672)

The Company is not exposed to foreign currency risk as at 31 December 2024 and 31 December 2023.

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31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 and Company's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's and Company'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 and Company does not account for fixed rate financial assets and liabilities through profit or loss, and the Group and Company 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.

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

	Grou	p	Compan	у
	2024 2023		2024	2023
	RM	RM	RM	RM
FIXED RATE INSTRUMENTS				
Financial liabilities				
Hire purchase payable	0	7,258,197	0	1,551,136
Bankers' acceptances	59,451,000	46,813,000	0	0
	59,451,000	54,071,197	0	1,551,136
FLOATING RATE INSTRUMENTS				
Financial liabilities				
Term loans	38,336,705	59,306,695	0	0

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	
	2024	2023
	RM	RM
+ 50 bp	371,593	403,255
- 50 bp	(371,593)	(403,255)

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31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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 cash equivalents.

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 18.

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31 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 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
31 December 2023 Gross carrying amount (RM):					
trade receivables	40,836,389	9,288,235	226,986	901,393	51,253,003
Individual impairment – credit impaired	0	0	0	(34,430)	(34,430)
	40,836,389	9,288,235	226,986	866,963	51,218,573
Expected loss rate (%)	0.15	0.89	42.09	100	2.16
Less: Loss allowance	(59,389)	(82,688)	(95,543)	(866,963)	(1,104,583)
Carrying amount (net of loss allowance)	40,777,000	9,205,547	131,443	0	50,113,990

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (continued)

Impairment of financial assets (continued)

(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 RM284,793 (2023: RM3,848,021). 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 2024 and 2023.

(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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 or 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 (*) Bank borrowings	65,978,705	0	0	65,978,705	65,978,705
- bankers' acceptances	59,451,000	0	0	59,451,000	59,451,000
- term loans	9,795,980	28,869,116	5,101,996	43,767,092	38,336,705
Lease liabilities	930,211	579,789	0	1,510,000	1,465,826
	136,155,896	29,448,905	5,101,996	170,706,797	165,232,236
As at 31.12.2023					
Trade and other payables (*)	59,749,224	0	0	59,749,224	59,749,224
Bank borrowings					
- bankers' acceptances	46,813,000	0	0	46,813,000	46,813,000
- term loans	15,975,701	45,739,544	6,063,028	67,778,273	59,306,695
Hire purchase payables	3,492,717	4,200,603	0	7,693,320	7,258,197
Lease liabilities	1,000,813	960,559	4,594,215	6,555,587	4,093,208
	127,031,455	50,900,706	10,657,243	188,589,404	177,220,324

^{*} Trade and other payables excluding contract liabilities, employee benefit obligations, sales and services tax payables.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk (continued)

Company	On demand or within 1 year RM	Total Between 1 - 5 years RM	Total contractual cashflow RM	Total carrying amount RM
As at 31.12.2024				
Trade and other payables	712,026	0	712,026	712,026
Financial guarantee contracts (*)	101,396,430	0	101,396,430	0
As at 31.12.2023				
Trade and other payables	232,634	0	232,634	232,634
Hire purchase payables	644,666	977,879	1,622,545	1,551,136
	877,300	977,879	1,855,179	1,783,770
Financial guarantee contracts (*)	115,212,819	0	115,212,819	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.

(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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair values (continued)

(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
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
2023				
<u>Financial assets</u>				
Equity instruments classified as FVOCI				
- quoted shares	7,080	0	0	7,080
Financial liabilities				
Derivative financial liabilities	0	44,237	0	44,237

The Company does not have any financial assets and liabilities at fair values as at 31 December 2024 and 2023.

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

- The fair values of quoted investments is determined at their quoted closing bid prices at the end of the reporting year.
- 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair values (continued)

(ii) Financial instruments measured at amortised costs

The carrying amounts and fair values of long-term financial assets and liabilities measured at amortised cost of the Group and Company as at 31 December are as follows:

	2024		2023	
Group	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<u>Financial liabilities</u> Hire purchase payables	0	0	7,258,197	7,016,371
Company Financial liabilities Hire purchase payables	0	0	1,551,136	1,508,769

The fair values of the Group's and Company's long-term financial instruments are categorised as Level 2 in the fair value hierarchy as they are estimated by discounting the future contractual cash flows at the current market rate available for similar instruments.

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

Other than biological assets (Note 16), the Group and Company does not have non-financial assets and liabilities measured at fair value at the reporting date.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Classification of financial instruments

	Gro	ир	Compa	ıny
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial assets classified as FVOCI:				
Equity instruments	4,446,460	7,080	0	0
Financial assets classified as amortised cost:				
Trade and other receivables	48,136,244	50,113,990	0	0
Other receivables	9,337,275	11,113,671	410,105	2,557,121
Cash and cash equivalents	126,843,510	98,936,182	3,653,499	17,542,925
	184,317,029	160,163,843	4,063,604	20,100,046
Total financial assets	188,763,489	160,170,923	4,063,604	20,100,046
Financial liabilities classified as amortised cost:				
Trade and other payables (*)	65,978,705	59,704,987	712,026	232,634
Bank borrowings	97,787,705	106,119,695	0	0
Hire purchase payables	0	7,258,197	0	1,551,136
Lease liabilities	1,465,826	4,093,208	0	0
	165,232,236	177,176,087	712,026	1,783,770
Financial liabilities classified as FVTPL:				
Derivative financial liabilities	0	44,237	0	0
Total financial liabilities	165,232,236	177,220,324	712,026	1,783,770

^{*} Trade and other payables excluding contract liabilities, derivative financial liabilities, employee benefit obligations and sales and services tax payables.

32 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32 CAPITAL RISK MANAGEMENT (CONTINUED)

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 cash equivalents. The debt-to-equity ratio of the Group at the end of the reporting year was as follows:

	Grou	ıp
	2024 RM	2023 RM
Bank borrowings	97,787,705	106,119,695
Hire purchase payables	0	7,258,197
Lease liabilities	1,465,826	4,093,208
Less: Cash and cash equivalents	99,253,531 (126,843,510)	117,471,100 (98,936,182)
Net (cash)/debt	(27,589,979)	18,534,918
Total equity	618,432,532	477,078,149
Debt-to-equity ratio	N/A*	0.04

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

33 CAPITAL COMMITMENTS

Externally imposed capital requirements

As at reporting date, the Group is in compliance with the externally imposed capital requirements on material borrowings.

There was no change in the Group's approach to capital management during the financial year.

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

	Grou	ір
	2024 RM	2023 RM
Property, plant and equipment	33,156,965	27,677,501

34 EVENTS OCCURRING AFTER THE FINANCIAL YEAR

On 17 February 2025, the Company declared a fourth interim single-tier dividend of RM0.02 per ordinary share in respect of the financial year ended 31 December 2024, to be paid on 20 March 2025.

On 8 January 2025, Teo Seng Farming Sdn. Bhd., wholly-owned subsidiary of the Company acquired 24,500 ordinary shares representing 49% of the total issued share capital of 50,000 ordinary shares in CTS Biogas Sdn. Bhd. for a total consideration of RM24,500.

35 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

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 73 to 161 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 2024 and financial performance 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 11 April 2025.

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 73 to 161 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: 11 April 2025

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 2024, 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 2024 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 73 to 161.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

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)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

Valuation of biological assets

Refer to Note 3.7 on the accounting policies and Note 3.1 and Note 16 to the financial statements.

As at 31 December 2024, the Group's biological assets balance was RM131,853,810.

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, feed and other variable costs to be incurred over the lifespan of the layers, as well as the discount rate used for the cash flow model.

How our audit addressed the key audit matter

We obtained the biological assets' valuation prepared by management. The valuation is based on 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, including the discount rate 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 backtesting by comparing projected prices against historical prices and/ or latest available prices and cost and checked reasonableness of adjustments made for abnormal 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 to Directors' and management's assessment on the valuation of biological assets as at 31 December 2024.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Annual Report and Statement on 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.

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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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

- (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) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 13 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 03085/07/2025 J Chartered Accountant

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 2024

No.	Location	Description	Tenure	Land Area	Age of Building (Years)	Net Book Value (RM'000)	Date of Acquisition / Revaluation
1	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	5	13,852	Apr-18
2	HS (M) 16560 PTD 30302 Mukim Tanjong Sembrong Tempat Yong Peng - Air Hitam Road Daerah Batu Pahat, Johor	Feedmill Plant	Freehold	5.74A	24	11,937	*Mar-09
3	Geran 94699 Lot 299 Mukim Chaah Bahru Daerah Batu Pahat	Vacant Land	Freehold	44.91A	1	10,516	May-24
4	GM 14408 Lot 19641 (formerly Lot PTD 25740) Mukim Tanjong Sembrong Tempat Yong Peng - Air Hitam Road Daerah Batu Pahat, Johor	Central Packing Station 2 and Corporate Office Building	Freehold	4.19A	18 17	8,527	*May-17
5	Geran 94697 Lot 298 Mukim Chaah Bahru Daerah Batu Pahat	Vacant Land	Freehold	36.28A	1	8,491	May-24
6	HS (D) 62613 PTD 29431 Mukim Tanjong Sembrong Batu 4, Jalan Air Hitam Johor	Central Packing Station 1	Freehold	4.24A	13	8,374	*May-17
7	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	8	8,327	Jul-17
8	HS (D) 6883 Lot 4026 Mukim of Jeram Batu District of Pontian	Vacant Land	Freehold	9.99A	1	8,240	Jul-24
9	GM 248 Lot 1073 Mukim Chaah Bahru Tempat Bt 8 Jalan Labis Daerah Batu Pahat, Johor	New Layer Farm 6	Freehold	5.59A	37	6,993	*May-17
10	Lot 83, 89, 90 PTD 2513-2517 Jalan Kg Kangkar Baru Daerah Batu Pahat, Johor	Layer Farm 9	Freehold	48.05A	19	6,507	*May-17

^{*} Date of Revaluation

ANALYSIS OF SHAREHOLDINGS

AS PER REGISTER OF DEPOSITORS DATED 27 MARCH 2025

Total Number of Issued Shares : 600,016,350 ordinary shares (inclusive of 8,477,574 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	158	3.43	8,387	0.00
100 to 1,000	948	20.56	382,013	0.06
1,001 to 10,000	1,910	41.43	9,921,187	1.68
10,001 to 100,000	1,267	27.49	40,800,199	6.90
100,001 to 29,576,937	326	7.07	229,110,806	38.73
29,576,938 and above	1	0.02	311,316,184	52.63
Total	4,610	100.00	591,538,776	100.00

Note:

Excluding 8,477,574 Treasury Shares

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Advantage Valuations Sdn. Bhd.	311,316,184	52.63
2.	Kong Goon Khing	20,000,000	3.38
3.	Leong Hup (Malaysia) Sdn. Bhd.	14,208,954	2.40
4.	IFAST Nominees (Tempatan) Sdn. Bhd. Global Success Network Sdn. Bhd.	9,500,074	1.61
5.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Eng Guang	9,180,210	1.55
6.	Citigroup Nominees (Asing) Sdn. Bhd. UBS AG	7,174,116	1.21
7.	Teo Sik Ghood	5,732,358	0.97
8.	Leong Hup Holdings Sdn. Bhd.	3,912,040	0.66
9.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sia Kian Leng (E-JAH)	3,768,422	0.64
10.	Lau Joo Kiang	3,561,168	0.60
11.	Nam Hiok Yong	3,261,600	0.55
12.	Cartaban Nominees (Asing) Sdn. Bhd. The Bank of New York Mellon for Acadian Emerging Markets Small Cap Equity Fund, LLC	3,225,004	0.55
13.	Tong Seh Industries Supply Sdn. Bhd.	3,044,776	0.51
14.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Sim Keng Chor	2,994,740	0.51
15.	Nam Hiok Joo	2,932,444	0.50
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lau Joo Kien Brian	2,556,596	0.43

ANALYSIS OF SHAREHOLDINGS

AS PER REGISTER OF DEPOSITORS DATED 27 MARCH 2025

THIRTY LARGEST SHAREHOLDERS (CONTINUED)

No.	Name	No. of Shares	%
17.	Safari Bird Park & Wonderland Sdn. Bhd.	2,338,400	0.40
18.	RHB Investment Bank Berhad IVT (SHQ-SW Book 1) EQD Team	2,301,500	0.39
19.	Chan Kong Ming	2,300,000	0.39
20.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Hock Fatt (E-SS2)	2,300,000	0.39
21.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Keng Chor	2,268,844	0.38
22.	Na Yok Chee	2,144,006	0.36
23.	Lai Chong Koo	2,075,700	0.35
24.	Wong Ah Tai	2,052,178	0.35
25.	Amnah Binti Ibrahim	1,998,184	0.34
26.	Na Hap Cheng	1,972,142	0.33
27.	Tang Keng Huan	1,925,000	0.33
28.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hoo Kian Seng	1,920,000	0.32
29.	Ng Lee Ping	1,916,788	0.32
30.	Gan Kim Cheong	1,880,900	0.32
	Total	435,762,328	73.67

SUBSTANTIAL SHAREHOLDERS

As per Register of Substantial Shareholdings

		No of Shares H	eld	
Shareholders	Direct	%	Indirect	%
Advantage Valuations Sdn. Bhd.	311,316,184	52.63	-	-
Leong Hup (Malaysia) Sdn. Bhd.	14,208,954	2.40	311,316,184 ¹	52.63
Unigold Capital Sdn. Bhd.	-	-	311,316,184 ¹	52.63
Leong Hup International Sdn. Bhd.	-	-	325,525,138 ²	55.03
Emerging Glory Sdn. Bhd.	-	-	325,525,138 ³	55.03
CW Lau & Sons Sdn. Bhd.	-	-	325,525,1384	55.03
Lau Joo Han	-	-	325,525,1384	55.03
Datuk Lau Joo Hong	-	-	325,525,1385	55.03
Lau Jui Peng	-	-	325,525,1385	55.03
Lau Joo Heng	-	-	325,525,1385	55.03
Na Hap Cheng	2,307,306	0.39	312,355,466 ^{6&7}	52.80
Na Yok Chee	2,144,006	0.36	314,035,168 ^{6&7}	53.09

ANALYSIS OF SHAREHOLDINGS

AS PER REGISTER OF DEPOSITORS DATED 27 MARCH 2025

DIRECTORS' INTEREST

As per Register of Directors' Shareholdings

	No of Shares Held			
Directors	Direct	%	Indirect	%
Lau Jui Peng	-	-	325,525,1385	55.03
Nam Hiok Joo	2,932,444	0.50		-
Loh Wee Ching	-	-	-	-
Lim Huey Hean	-	-		-
Lim Ying Khoo	300	0.00		-
Goh Wen Ling	-	-	-	-

Motor

- 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 IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the Company ("19th 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 Wednesday, 28 May 2025 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 2024.
- 2. To approve the payment of Directors' fees up to an amount of RM240,000 for the period from 29 May 2025 until the next Annual General Meeting of the Company to be held in 2026.
- 3. To approve the payment of Directors' Benefits up to an amount of RM92,000 for the period from 29 May 2025 until the next Annual General Meeting of the Company to be held in 2026.
- 4. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Constitution of the Company:
 - 4.1 Lim Huey Hean
 - 4.2 Lim Ying Khoo
- 5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

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

AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"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.

(Please refer to Explanatory Note 1)

[Ordinary Resolution 1] (Please refer to Explanatory Note 2)

[Ordinary Resolution 2] (Please refer to Explanatory Note 2)

> (Please refer to Explanatory Note 3)

[Ordinary Resolution 3] [Ordinary Resolution 4]

[Ordinary Resolution 5] (Please refer to Explanatory Note 4)

[Ordinary Resolution 6] (Please refer to Explanatory Note 5)

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until:

- 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 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 25 April 2025 ("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)

8. PROPOSED RENEWAL OF AUTHORISATION TO ENABLE THE COMPANY TO PURCHASE UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY

[Ordinary Resolution 8] (Please refer to Explanatory Note 7)

"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:

- (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
- 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;

- (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 25 April 2025

Notes:

- (i) For the purpose of determining a member who shall be entitled to attend and vote at the Nineteenth Annual General Meeting ("19th AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 21 May 2025. Only a member whose name appears on the Record of Depositors as at 21 May 2025 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 19th 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 19th 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.
- (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 19th AGM, i.e. by 11.30 a.m. on Monday, 26 May 2025 or adjourned 19th AGM at which the person named in the appointment proposes to vote:

(i) <u>In Hard Copy Form</u>

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 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 mean, the proxy form can be electronically submitted to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Guide for the 19th AGM on the procedures for electronic lodgement of proxy form.

- (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 Monday, 26 May 2025.
- (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 19th 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 11 April 2025, the Remuneration Committee reviewed the Directors' fees and benefits for the period from 29 May 2025 until the next Annual General Meeting ("AGM") of the Company to be held in 2026, taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors.

The Directors' fees for the period from 29 May 2025 until the next AGM of the Company to be held in 2026 amounting to a total of RM240,000 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 19th AGM.

The proposed structure of the Directors' benefits for the period from 29 May 2025 until the next AGM of the Company to be held in 2026 is as follows:

Type of Benefits Amount

Other Emoluments / (Festival Token)

RM92,000

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 19th 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. <u>Item 4 of the Agenda</u>

Mr. Lim Huey Hean and Ms. Lim Ying Khoo are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 19th 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 2024. For the purpose of determining the eligibility of the Directors to stand for re-election at the 19th 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 2024 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. Lim Huey Hean as Independent Non-Executive Director

Mr. Lim Huey Hean has extensive experience in capital markets, financial services and internal control strengthens the Board's oversight and governance. His regulatory expertise and leadership across key Board Committees also provide valuable independent judgment and insight, supporting robust risk management and compliance for the Group.

ii. Re-election of Ms. Lim Ying Khoo as Independent Non-Executive Director

Ms. Lim Ying Khoo's strong expertise in accounting, taxation and corporate governance, combined with her leadership roles across various professional services, enables her to provide valuable financial and strategic insights to the Group. Her contributions support the Group's commitment to financial integrity, regulatory compliance and sustainable business growth.

4. <u>Item 5 of the Agenda</u>

The Audit Committee ("AC") had at its meeting held on 17 February 2025 assessed the suitability and independence of the External Auditors and recommended the re-appointment of PricewaterhouseCoopers PLT as External Auditors of the Company for the financial year ending 31 December 2025. 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 19th AGM.

5. <u>Item 6 of the Agenda</u>

The proposed Ordinary Resolution 6 is intended to renew the authority granted to the Directors of the Company at the Eighteenth Annual General Meeting ("18th AGM") of the Company held on 28 May 2024, 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 18th AGM of the Company held on 28 May 2024 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 did not issue and allot any shares pursuant to the Mandate granted to the Directors at the 18th AGM as there was no requirement for such fund raising activities.

6. <u>Item 7 of the Agenda</u>

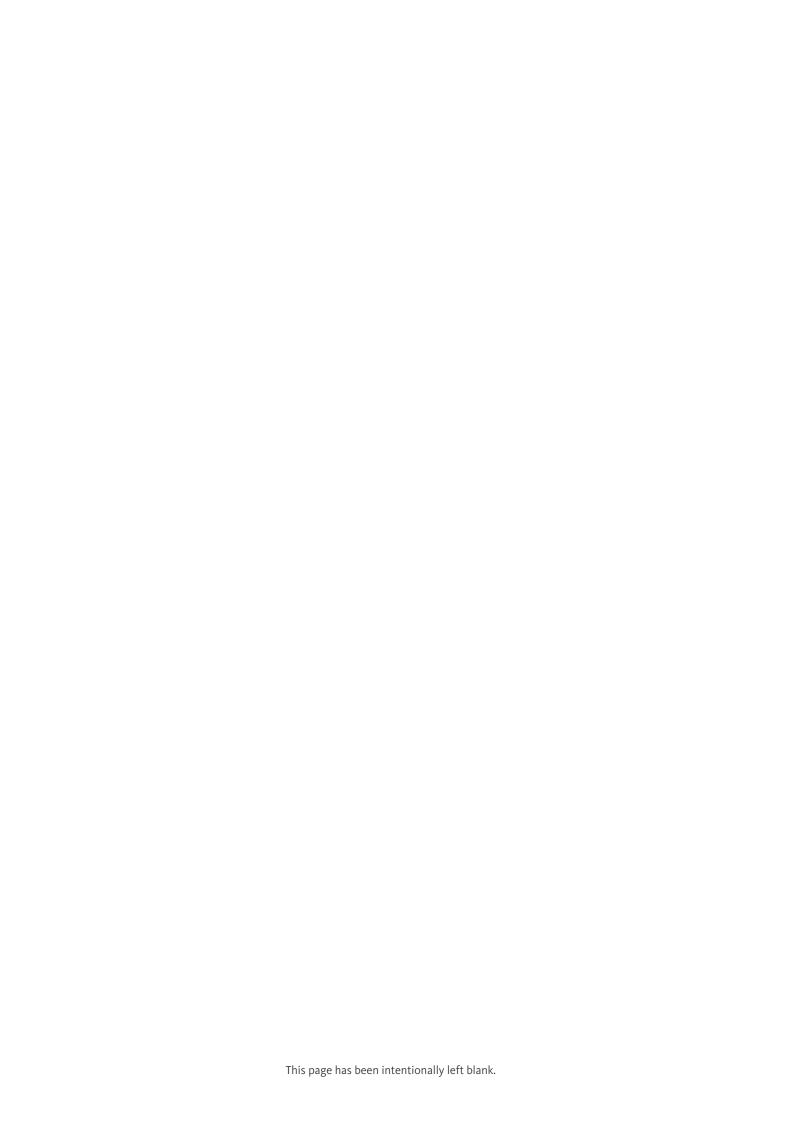
The proposed Ordinary Resolution 7, if passed, will allow the Group to continue to enter into recurrent related party transactions on an arm's length basis and on normal commercial terms and transaction prices, which are not prejudicial to the interests of the minority shareholders. Please refer to Part A of the Circular to Shareholders dated 25 April 2025 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 25 April 2025 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.





PROXY FORM

CDS Account No. of Authorised Nominee#

CDS Account No.
No. of shares held

Registration No. 200601013011 (732762-T) (Incorporated in Malaysia)

#applicable to shares held through nominee account

		[Full name in block, NRIC/Passport/Com	pany No.]	Tel:			
f		[
eing	member(s) of Teo Seng	g Capital Berhad, hereby appoint:					
ull Na	ame (in Block)	NRIC/Passport No.	P	roportion of Sharehol	dings		
run rume (in blocky			No. of Share		%		
ddre	SS						
d/oı	* (*delete as appropria	ate)					
ıll Na	ame (in Block)	NRIC/Passport No.	Р	Proportion of Shareholdings			
			No. of Share	S	%		
.ddre	SS						
		e held at Teo Seng Capital Berhad Con day, 28 May 2025, at 11.30 a.m. or any			-	Hitam, 8370	
40							
ıem		Agenda					
1.		Agenda inancial Statements of the Company and or uditors thereon for the financial year endec					
		inancial Statements of the Company and o		Ordinary Resolution ("OR")	FOR	AGAINST	
	Resolutions To approve the payment	inancial Statements of the Company and o	d 31 December 2024. 240,000 for the period from 29		FOR	AGAINST	
1.	Resolutions To approve the payment May 2025 until the next To approve the payment	inancial Statements of the Company and of uditors thereon for the financial year endec	240,000 for the period from 29 to be held in 2026. RM92,000 for the period from	Resolution ("OR")	FOR	AGAINST	
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- (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.

^{*} Manner of execution:

- (i) For the purpose of determining a member who shall be entitled to attend and vote at the Nineteenth Annual General Meeting ("19th AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 21 May 2025. Only a member whose name appears on the Record of Depositors as at 21 May 2025 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 19th 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 19th 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.
- (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 19th AGM, i.e. by 11.30 a.m. on Monday, 26 May 2025 or adjourned 19th 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 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 mean, the proxy form can be electronically submitted to the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Guide for the 19th AGM on the procedures for electronic lodgement of proxy form.

- 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 g.m., on Monday, 26 May 2025.
- (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 19th 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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POSTAGE

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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