SUSTAINABILITY REPORT (CONTINUED)

Employee Category	Total numbers of employee turnover FYE 2026	Total numbers of employee turnover FYE 2025	Total numbers of employee turnover FYE 2024
Management	6	5	1
Executive	28	17	41
Non-executive/Technical staff	293	189	229
General workers	134	123	135
Total	461	334	406

	FYE 2026	FYE 2025	FYE 2024
New hire rates (%)	14%	14%	20%
Turnover rates (%)	16%	12%	16%

COMMUNITY INVESTMENT

As a responsible corporate citizen, the Group is committed to making a meaningful and lasting impact on the communities in which it operates. We recognise that social inclusion and community well-being are integral to sustainable long-term success. Through active community engagement, targeted social investments, and encouraging employee participation in meaningful causes, we strive to enhance the quality of life for those around us while building a foundation of trust, collaboration, and mutual growth.

In FYE 2026, the Group contributed a total of RM13,757 across a series of initiatives spanning environmental restoration, charitable causes, and direct community outreach, reflecting its holistic approach to corporate social responsibility.

The Group, through its NutriPlus brand, sponsored and participated in the "Revive Klang River, Sustain Our Future" ESG Programme on 31 May 2025 at Kota Bridge, Klang. Organised by GoodMorning Vision Fund and Kelab Warisan Sungai Klang, the programme engaged participants in a community clean-up, homemade enzyme workshop, and enzymatic mudball launching activities aimed at restoring the health of the Klang River ecosystem. In recognition of its sponsorship and support, the Group was presented with a Certificate of Appreciation by the organisers.

SUSTAINABILITY REPORT (CONTINUED)

SUSTAINABILITY REPORT (CONTINUED)

The Group also contributed to the AEON Charity Run, held on 3 August 2025 at Dataran Wawasan, Putrajaya. Organised by the Malaysian AEON Foundation, the event united participants from across the country in support of charitable causes, and the Group's contribution underscores its commitment to supporting community-driven initiatives with meaningful impact.

Closer to home, the Group's Human Resources team organised a CSR visit to Rumah Anak Yatim & Asnaf, Kg. Silad, Ranau, Sabah on 15 November 2025, with the participation of 10 employees. The Group donated essential food items including chicken, eggs, sausages, and nuggets, further supplemented by goods and daily necessities contributed by employees themselves. The active involvement of staff in this initiative exemplifies the Group's culture of compassion and its belief that meaningful community stewardship begins from within the organisation.

SUSTAINABILITY REPORT
(CONTINUED)

Through these collective efforts, the Group reaffirms its dedication to being a force for positive change, supporting social welfare, promoting environmental sustainability, and nurturing the communities that are central to its long-term purpose.

	FYE 2026	FYE 2025	FYE 2024
Total amount invested where the target beneficiaries are external	13,757	9,635	16,144
Total number of beneficiaries of the investment in communities (number of organisations)	6	N/A	N/A

SUSTAINABILITY REPORT (CONTINUED)

GOVERNANCE SUSTAINABILITY

At Lay Hong, we are committed to the highest standards of corporate governance and ethical conduct. This commitment is demonstrated through our strict compliance with relevant laws and regulations, alongside continuous efforts to foster a culture of transparency, accountability, and integrity throughout the organisation.

In today's increasingly digital environment, we recognise the critical importance of protecting data and maintaining stakeholder trust. To this end, we have established robust cybersecurity and data protection measures to safeguard sensitive information, comply with regulatory requirements, and ensure the privacy and security of all those we serve.

Material Matters :

- Policy & Regulatory Compliance
- Cybersecurity & Data Protection

POLICY & REGULATORY COMPLIANCE

Regulatory compliance remains a cornerstone of our sustainability strategy. By prioritising ethical business practices, Lay Hong enhances stakeholder confidence, strengthens risk resilience, and supports long-term value creation. Conversely, non-compliance may result in regulatory sanctions, legal liabilities, reputational damage, and operational setbacks.

To mitigate these risks, we closely monitor the regulatory landscape and maintain strong internal systems to ensure continued compliance.

Corporate governance policies

Our governance practices are guided by the Malaysian Code on Corporate Governance 2021 and Bursa Malaysia's Main Market Listing Requirements. These frameworks form the foundation of our corporate conduct, helping to ensure that we operate with integrity and in the best interests of our stakeholders. Further details are available in our Corporate Governance Statement on pages 74 to 78 of this Annual Report.

Legal & regulatory oversight

Lay Hong routinely reviews its legal register to ensure alignment with evolving laws and standards. Our internal compliance mechanisms enable us to assess regulatory performance, identify gaps, and implement timely improvements. This proactive approach supports effective risk management and reinforces our commitment to responsible business practices.

CYBERSECURITY & DATA PROTECTION

As Lay Hong continues to strengthen and digitalise its farming, food processing, and operational activities, the importance of cybersecurity and data protection has become increasingly significant. The Group relies on digital systems and information technology for operational management, inventory control, financial reporting, supply chain coordination, and customer-related processes. As such, safeguarding information assets and maintaining secure systems are essential to ensuring business continuity, operational reliability, and stakeholder trust.

SUSTAINABILITY REPORT (CONTINUED)

The Group recognises that unauthorised access, cyber threats, data breaches, or system disruptions may adversely affect operations, compromise sensitive information, and impact the Group's reputation and business performance. To mitigate these risks, Lay Hong continues to strengthen its cybersecurity and information security practices through the implementation of appropriate controls, monitoring mechanisms, and internal governance measures.

Our cybersecurity approach focuses on enhancing the resilience of IT infrastructure, protecting digital assets, and maintaining secure internal networks through regular system monitoring, access controls, software updates, and preventive security measures. The Group also continues to improve employee awareness of cybersecurity risks and responsible data handling practices through internal communications and awareness initiatives.

In managing personal and sensitive information, the Group remains committed to complying with the requirements of the Personal Data Protection Act ("PDPA") 2010 to ensure that data is handled responsibly, securely, and in accordance with applicable regulatory requirements.

In FYE 2026, there were no reported incidents involving customer data breaches or violations of data privacy regulations, reflecting the Group's continued commitment to maintaining secure and responsible digital operations.

	FYE 2026	FYE 2025	FYE 2024	Target
Number of substantiated complaints concerning breaches in customer privacy or data loss	Nil	Nil	Nil	Nil

MOVING FORWARD

At Lay Hong, sustainability is not just a guiding principle; it is central to our identity and informs every aspect of our decision-making. We recognise that responsible practices are both a moral duty and a strategic advantage in today's dynamic business landscape.

PERFORMANCE DATA TABLE

As a listed issuer, Lay Hong complies with the mandatory ESG disclosure requirements under Bursa Malaysia's Main Market Listing Requirements, in accordance with the enhanced Sustainability Reporting Guide (3rd Edition). The performance data table below, extracted from Bursa Malaysia CSI Platform, presents key indicators aligned with our identified material sustainability matters.

SUSTAINABILITY REPORT (CONTINUED)

LAY HONG BHD
BMLR Transition Period

Date & Time: 2026-07-28_15:01:00
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Customer satisfaction	Customer satisfaction score	Percentage	80.00	80.00	—	No assurance
Customer satisfaction	Number of recalls issued and total units recalled for health and safety reasons	Number	0.00	0.00	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	1.20	0.00	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	0.00	9.00	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	0.00	8.00	—	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	0.00	2.00	—	No assurance
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	0	—	No assurance
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	9,635.00	13,757.00	—	No assurance
Community/Society	Total number of beneficiaries of the investment in community	Number	0	6	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Management Under 30	Percentage	1.00	4.00	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-28_15:01:00

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LAY HONG BHD
BMLR Transition Period

Date & Time: 2026-07-28_15:01:00
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by age group, for each employee category - Management Between 30-50	Percentage	68.00	67.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Management Above 50	Percentage	31.00	29.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Executive Under 30	Percentage	33.00	23.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Executive Between 30-50	Percentage	56.00	61.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Executive Above 50	Percentage	11.00	16.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Non-executive/Technical Staff Under 30	Percentage	45.00	45.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Non-executive/Technical Staff Between 30-50	Percentage	44.00	45.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - Non-executive/Technical Staff Above 50	Percentage	11.00	10.00	—	No assurance

LAY HONG BHD
BMLR Transition Period

Date & Time: 2026-07-28_15:01:00
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by age group, for each employee category - General Workers Under 30	Percentage	50.00	40.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - General Workers Between 30-50	Percentage	45.00	52.00	—	No assurance
Diversity	Percentage of employees by age group, for each employee category - General Workers Above 50	Percentage	6.00	8.00	—	No assurance
Diversity	Percentage of employees by gender, for each employee category - Management Male	Percentage	53.00	51.00	—	No assurance
Diversity	Percentage of employees by gender, for each employee category - Management Female	Percentage	47.00	49.00	—	No assurance
Diversity	Percentage of employees by gender, for each employee category - Executive Male	Percentage	21.00	27.00	—	No assurance
Diversity	Percentage of employees by gender, for each employee category - Executive Female	Percentage	79.00	73.00	—	No assurance
Diversity	Percentage of employees by gender, for each employee category - Non-executive/Technical Staff Male	Percentage	51.00	53.00	—	No assurance
Diversity	Percentage of employees by gender, for each employee category - Non-executive/Technical Staff Female	Percentage	49.00	47.00	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-28_15:01:00

SUSTAINABILITY REPORT (CONTINUED)

LAY HONG BHD
BMLR Transition Period

Date & Time: 2026-07-28_15:01:00
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender, for each employee category - General Workers Male	Percentage	85.00	88.00	—	No assurance
Diversity	Percentage of employees by gender, for each employee category - General Workers Female	Percentage	15.00	12.00	—	No assurance
Diversity	Percentage of directors by gender - Male	Percentage	87.50	87.50	—	No assurance
Diversity	Percentage of directors by gender - Female	Percentage	12.50	12.50	—	No assurance
Diversity	Percentage of directors by age group - Under 30	Percentage	0.00	0.00	—	No assurance
Diversity	Percentage of directors by age group - Between 30-50	Percentage	12.50	12.50	—	No assurance
Diversity	Percentage of directors by age group - Above 50	Percentage	87.50	87.50	—	No assurance
Energy management	Total energy consumption	MWh	62,443.00	88,968.00	—	No assurance
Carbon emissions	Scope 2 – Indirect emissions from the electricity consumption from the grid	tCO2-e	47,332.00	67,438.00	—	No assurance
Health and safety	Number of work-related fatalities	Number	0	0	—	No assurance
Health and safety	Lost time incident rate ("LTIR")	Rate	0.68	0.00	—	No assurance
Health and safety	Number of employees trained on health and safety standards	Number	571	312	—	No assurance

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SUSTAINABILITY REPORT (CONTINUED)

LAY HONG BHD
BMLR Transition Period

Date & Time: 2026-07-28_15:01:00
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Total hours of training by employee category - Management	Hours	600	500	—	No assurance
Labour practices and standards	Total hours of training by employee category - Executive	Hours	1,049	1,740	—	No assurance
Labour practices and standards	Total hours of training by employee category - Non-executive/Technical Staff	Hours	3,021	6,309	—	No assurance
Labour practices and standards	Total hours of training by employee category - General Workers	Hours	3,300	5,973	—	No assurance
Labour practices and standards	Total number of new hires by employee category - Management	Number	7	0	—	No assurance
Labour practices and standards	Total number of new hires by employee category - Executive	Number	15	13	—	No assurance
Labour practices and standards	Total number of new hires by employee category - Non-executive/Technical Staff	Number	255	120	—	No assurance
Labour practices and standards	Total number of new hires by employee category - General Workers	Number	116	23	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Management	Number	5	6	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category - Executive	Number	17	28	—	No assurance

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LAY HONG BHD

BMLR Transition Period

Date & Time: 2026-07-28_15:01:00

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	189	293	—	No assurance
Labour practices and standards	Total number of employee turnover by employee category - General Workers	Number	123	134	—	No assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0	—	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	95.00	95.00	—	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	—	No assurance
Water	Total volume of water used	Megalitres	1.500000	1.600000	—	No assurance
Waste management	Total waste directed to disposal	Metric tonnes	3,249.00	3,403.00	—	No assurance

CORPORATE GOVERNANCE OVERVIEW REPORT

The Board of Directors (“**Board**”) presents this statement to provide shareholders and investors with an overview of the application of the principles set out in the Malaysian Code on Corporate Governance (“**CG**”) (“**MCCG**”) by Lay Hong Berhad (“**Lay Hong**” or the “**Company**”) and should be read together with the CG Report 2026 of Lay Hong (“**CG Report**”) which accompanies this Annual Report and is also available on Lay Hong’s website at www.layhong.com.my (“**Lay Hong’s Website**”).

The CG Report provides the details on how Lay Hong has applied each Practice as set out in the MCCG during the financial year ended 31 March 2026 (“**FYE 2026**”).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(a) BOARD RESPONSIBILITIES

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

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

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

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

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

The Chairman facilitates the effective contributions of all Directors and promotes constructive and respectful relations between Board members and between the Board and Management. The Board has well-defined descriptions for responsibilities of the Board Chairman, Executive Directors, and the individual Board Members. The roles and responsibilities of the Chief Financial Officer are currently carried out by the Executive Director in charge of the Group’s corporate services function inter-alia, Treasury, Accounting, Finance, Human Resources, and Information Technology.

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

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

CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

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

(a) BOARD RESPONSIBILITIES (CONT'D)

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

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

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

The external training programmes, seminars and/or conferences attended by the Directors in office as at the end of FYE 2026 were as follows:

No.	Name	Training Programmes/Seminars/Conferences
1.	Dato' Yap Hoong Chai	Leading Positive and Profitable Change
2.	Dato' Yap Chor How	Leading Positive and Profitable Change
3.	Dato' Yeap Weng Hong	Leading Positive and Profitable Change
4.	Ng Kim Tian	Leading Positive and Profitable Change
5.	Tan Chee Hau	The Evolving Opportunities in South & Southeast Asia
6.	Wong Soo Thiam	National Tax Reference 2025 An Overview of the Malaysian Private Entities Reporting Standard (MPERS) – Practical Approach to Recognition and Measurement Principles including Updates
7.	Tham Wei Mei	National Sustainability Reporting Framework Data to Disclosures Forum
8	Yeap Fock Hoong	ISO 9001: 2015 Quality Management Systems Internal Auditor

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

(b) BOARD COMPOSITION

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

The current Board is drawn from different ethnic, cultural and socio-economic backgrounds and their ages range from 49 to 76 years to ensure that diverse viewpoints are considered in the decision-making process. The profile of each Director is set out in the Director's Profile section of this Annual Report. The Board currently has eight members, including three Independent Directors.

CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

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

(b) BOARD COMPOSITION (CONT'D)

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

During the FYE 2026, the Board through its NC conducted an annual review of the Board's size, composition and balance and concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Group forward. The NC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively. The Board will continue to monitor and review the Board size and composition and will nominate new members as and when the need arises.

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

At the forthcoming 2026 AGM, Dato' Yap Hoong Chai, Mr. Yeap Fock Hoong and Mr. Tan Chee Hau ("**Mr. Tan**") are due to retire under Clause 134 of the Constitution of the Company and being eligible have offered themselves for re-election. Following the NC's review on the performance of the three Directors and having noted their significant and valued contributions to the Board, the NC has recommended their re-election to the Board.

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

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

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

(c) REMUNERATION

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

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

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

CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

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

(c) REMUNERATION (CONT'D)

The details of the remuneration of Directors on named basis for the FYE 2026 is stated as follows:

	Directors' Fees (RM)	Salaries, other emoluments and benefits (RM)	Total (RM)
Executive Directors			
Dato' Yap Hoong Chai	44,000	5,202,752	5,246,752
Dato' Yap Chor How	40,000	4,354,648	4,394,648
Dato' Yeap Weng Hong	40,000	2,517,299	2,557,299
Ng Kim Tian	40,000	2,563,253	2,603,253
Subtotal	164,000	14,637,952	14,801,952
Non-Executive Directors			
Tan Chee Hau	40,000	–	40,000
Wong Soo Thiam	44,000	–	44,000
Tham Wei Mei	40,000	–	40,000
Yeap Fock Hoong	40,000	–	40,000
Subtotal	164,000	–	164,000
Grand Total	**328,000**	**14,637,952**	**14,965,952**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(a) AUDIT COMMITTEE

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW REPORT (CONTINUED)

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

(b) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

During FYE 2026, the Board and AC were assisted by the Executive Directors and its Finance Department to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders' investments and the Group's assets.

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

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

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

(a) COMMUNICATION WITH STAKEHOLDERS

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

(b) CONDUCT OF GENERAL MEETINGS

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

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

To ensure effective participation and engagement with shareholders at the AGM in 2025, all Directors, including members of AC, NC and RC, attended and participated in the said AGM.

In line with the best CG practice, the Notice of the 42nd AGM and Annual Report will be sent out to shareholders at least 28 days before the date of the meeting to allow sufficient time for shareholders to consider the proposed resolutions to be tabled at the AGM.

AUDIT COMMITTEE REPORT

MEMBERS OF AUDIT COMMITTEE

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

Wong Soo Thiam
Chairman, Independent Non-Executive Director

Tan Chee Hau
Member, Independent Non-Executive Director

Tham Wei Mei
Member, Independent Non-Executive Director

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

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

SECRETARY

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

TERMS OF REFERENCE

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

The detailed TOR of the AC outlining the composition, duties and functions, authority and procedures of the AC are published and available on the Company's website at www.layhong.com.my.

MEETINGS AND MINUTES

Attendance at Meetings

The record of attendance of the members of the AC for meetings held during the financial year ended 31 March 2026 ("**FYE 2026**") are as follows:

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

The quorum of the meeting is two (2)

AUDIT COMMITTEE REPORT (CONTINUED)

MEETINGS AND MINUTES (CONT'D)

Meetings

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

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

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

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

Minutes

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

SUMMARY OF ACTIVITIES

In respect of the FYE 2026, the AC in discharging its duties and functions carried out activities which are summarised broadly as follows:

a) Internal Audit

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

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

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

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

(i) Procurement to Payment
(ii) Broiler Operation Review - Innobrid Sdn. Bhd.
(iii) Sales to Receipt Review - Innobrid Sdn. Bhd.
(iv) Information Technology General Control Review

The total cost incurred for the internal audit functions in respect of the FYE 2026 amounted to RM89,725.

AUDIT COMMITTEE REPORT (CONTINUED)

SUMMARY OF ACTIVITIES (CONT'D)

b) Financial Reporting

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

i. Reviewed the financial positions, quarterly interim financial reports, and announcements for the respective financial quarters prior to submission to the Board for consideration and approval;

ii. Ensured the quarterly reports and Audited Financial Statements ("**AFS**") were prepared in compliance with the Malaysian Financial Reporting Standards ("**MFRS**") and International Financial Reporting Standards ("**IFRS**") in Malaysia, and the Requirements of the Companies Act 2016 Malaysia while the quarterly reports took into consideration Paragraph 9.22 including Appendix 9B of the MMLR;

iii. Reviewed the External Auditors' Audit Plan ("**Audit Plan**") for the FYE 2026 which covered the engagement and reporting requirements, audit approach, areas of audit emphasis, significant events during the financial year, communication with the management, engagement team, the reporting and deliverables as well as the proposed audit fees;

iv. Reviewed the External Auditors' audit findings and recommendations and the AFS for the FYE 2026;

v. Considered the performance of External Auditors, reviewed the independence of External Auditors and recommended to the Board for re-appointment;

vi. To ensure the integrity of the financial information, received assurance from the Executive Directors and Executive Director in charge of Finance, that:

- Appropriate accounting policies had been adopted and applied consistently;
- The going concern basis applied in the AFS was appropriate;
- Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
- Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRSs and Listing Requirements; and
- The consolidated AFS and the Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position.

vii. Reviewed the AC Report, CG Overview Statement, CG Report and Statement on Risk Management and Internal Control ("**SORMIC**") for publication in the 2026 Annual Report; and

viii. Reviewed the SORMIC together with the External Auditors and received assurance from the Executive Directors and Executive Director in charge of Finance that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects before recommending the Statement to the Board.

AUDIT COMMITTEE REPORT (CONTINUED)

SUMMARY OF ACTIVITIES (CONT'D)

c) External Audit

Messrs. Tai, Yapp & Co PLT ("**TYC**") is the External Auditors for the Group except for Takaso SC (Thailand) Limited. TYC led by their engagement partner presented their External Audit Plan for FYE 2026 and had declared and confirmed that they were independent and would be independent through their audit engagement.

For FYE 2026, the AC met with the External Auditors in the absence of Management in order to had the opportunity to assess the co-operation extended by the Management to the External Auditors, their attitude and readiness to provide documentation and explanations, as well as the adequacy of resources in the Group's Finance Department.

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

The non-audit fees payable to the External Auditors was RM12,000 for the FYE 2026. The non-audit fees were in respect of services rendered in respect of review of the Statement on Risk Management and Internal Control and review of Group reporting was not accrued.

The AC carried out an assessment of the performance and suitability of TYC based on the quality of services and relationship with Management, AC, external auditors and Board. The AC has been generally satisfied with the independence, performance, and suitability of TYC based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of TYC as External Auditors for the financial year ending 31 March 2027.

CG PRACTICES

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

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

BOARD'S RESPONSIBILITY

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

RISK MANAGEMENT FRAMEWORK

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

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

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

INTERNAL CONTROL

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

- **Organisation Structure**

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

- **Standard Operation Policies**

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

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONTINUED)

INTERNAL CONTROL (CONT'D)

- **Board Approval**

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

- **Monthly Executive Committee Meeting**

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

- **Detailed Budgeting Process**

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

REVIEW BY THE EXTERNAL AUDITORS

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

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

CONCLUSION

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

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

ADDITIONAL COMPLIANCE INFORMATION

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

AUDIT / NON-AUDIT FEE

The amount of audit and non-audit fees incurred by the Company and Group for the financial year ended 31 March 2026 was as follows:

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

MATERIAL CONTRACTS

To the best of the Board's knowledge, there were no material contracts entered into by the Company and/or its subsidiaries with any of the major Shareholders nor Directors in office as at 31 March 2026 except as disclose in the notes to the financial statements.

EMPLOYEES' SHARE SCHEME (ESS)

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

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

	Number of Options (as at 31 March 2026)	
Description	Grand Total	Directors / Senior Management
As at 1 April 2025	47,754,430	29,930,000
(a) Granted	0	0
(b) Exercised	(1,511,700)	(1,220,000)
(c) Lapsed	0	0
As at 31 March 2026	46,242,730	28,710,000

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

ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

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

There was no new ESS Options granted during the financial year. As at 31 March 2026, the actual percentage granted to the Directors and senior management is stated as follows:

Name of Directors / Senior Management	Actual Percentage Granted
Dato' Yap Hoong Chai	9.83%
Dato' Yap Chor How	8.74%
Dato' Yeap Weng Hong	8.74%
Mr. Ng Kim Tian	8.74%
Mr. Yap Chor Wen	4.10%
Madam Bong Kim Fui	0.96%
Mr. Wong Yen Tien	0.96%
Mr. Ong Yong Thye	0.68%
Mr. Kuan Yik Vern	0.68%
Mr. Cheah Chang Shuoh	0.68%
Madam Chang Pik Yeen	0.68%
Total	**44.79%**

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

Name of Directors / Senior Management	Balance as at 1.4.2025	Exercised	Lapsed	Balance as at 31.03.2026
Dato' Yap Hoong Chai	7,200,000	–	–	7,200,000
Dato' Yap Chor How	6,400,000	1,120,000	–	5,280,000
Dato' Yeap Weng Hong	6,400,000	–	–	6,400,000
Mr. Ng Kim Tian	6,400,000	–	–	6,400,000
Mr. Yap Chor Wen	3,000,000	–	–	3,000,000
Madam Bong Kim Fui	530,000	–	–	530,000
Mr. Wong Yen Tien	–	–	–	–
Mr. Ong Yong Thye	–	–	–	–
Mr. Kuan Yik Vern	–	–	–	–
Mr. Cheah Chang Shuoh	200,000	–	–	200,000
Madam Chang Pik Yeen	500,000	100,000	–	400,000
Total	**30,630,000**	**1,220,000**	**0**	**29,410,000**

ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

UTILISATION OF PROCEEDS

On 30 January 2024, the Company had made the first offer of 73,260,000 new ESS Options pursuant to the ESS to the eligible employees and Directors at the exercise price of RM0.27. As of 31 March 2026, total 19,154,070 ESS Options exercised under the ESS and have raised gross proceeds of RM5,171,598.90.

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

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000
Interest-bearing deposits with financial institutions or short-term money market instruments	5,172	5,172	–

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia.

These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2026 (RM)	2025 (RM)
Revenue		1,124,765,498	1,073,710,287
Interest Income		2,071,729	1,670,497
Dividend Income		234,621	60,552
Other Income		14,259,146	11,617,866
Total		**1,141,330,994**	**1,087,059,202**
Total Assets		**1,313,092,238**	**1,099,235,794**

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 (RM)	2025 (RM)
Retail sales - liquor related activities		138,946	93,604
Retail sales - non halal food		494,150	538,409
Retail sales - Tobacco related activities		467,446	529,759
Total		**1,100,542**	**1,161,772**

ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2026 (RM)	2025 (RM)
Cash and bank balances (exclude cash in hand)		36,298,516	24,182,624
Total Cash		**36,298,516**	**24,182,624**

Conventional Account/Instruments	Remarks	Group	
		2026 (RM)	2025 (RM)
Cash and bank balances (exclude cash in hand)		43,715,136	29,547,560
Deposits with a licensed bank		609,012	10,594,745
Short term investment		10,218,390	10,141,404
Total Cash		**54,542,538**	**50,283,709**

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current		4,935,552	5,214,292
Non-Current		29,463,951	34,264,413
Total Financing		**34,399,503**	**39,478,705**

Conventional Borrowing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current		105,996,492	89,189,829
Non-Current		52,867,454	74,474,226
Total Debt		**158,863,946**	**163,664,055**

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RELATION TO THE FINANCIAL STATEMENTS

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

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

During the preparation of the financial statements for the financial year ended 31 March 2026, the directors have ensured that:

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

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

F I N A N C I A L

STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

The directors present their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM	Company RM
Profit for the year	64,003,029	31,485,710
Attributable to :-		
Owners of the company	64,508,930	31,485,710
Non-controlling interests	(505,901)	–
	64,003,029	31,485,710

DIVIDENDS

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

	RM
Single tier final dividend of 0.4 sen per ordinary share, paid on 13 November 2025	3,032,403

The Board of Directors recommend a final single tier dividend of 0.4 sen per share for the financial year ended 31 March 2026 amounting to RM3.03 million, based on the number of outstanding shares in issue at the end of the year. The proposed final single tier dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

The financial statements for the current year do not reflect the above proposed final single tier dividend. Such dividends will be accounted for in the equity as an appropriation of retained profits in the financial year ending 31 March 2027.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid up share capital from RM180,337,417 to RM180,911,863 by way of issuance of 1,511,700 new ordinary shares pursuant to options exercised under the Employees' Share Scheme ("ESS") at exercise price of RM0.27 per ordinary share for cash.

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

There were no debentures issued during the financial year.

EMPLOYEES' SHARE SCHEME

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

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

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

		Number of options over ordinary shares			
Date of offer	Exercise price	As at 1.4.25	(Exercised)	(Lapsed)	As at 31.3.26
30.1.24	RM0.27	47,754,430	(1,511,700)	–	46,242,730

INDEMNIFYING DIRECTORS OR OFFICERS

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

DIRECTORS

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

Dato' Yap Hoong Chai
Dato' Yap Chor How
Dato' Yeap Weng Hong
Ng Kim Tian
Tan Chee Hau
Wong Soo Thiam
Tham Wei Mei
Yeap Fock Hoong

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

Yip Kim Hoong

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTEREST

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

	Number of Ordinary Shares			
Holding Company Lay Hong Berhad	**Balance as at 1.4.25**	**Acquired**	**(Disposed)**	**Balance as at 31.3.26**
Dato' Yap Hoong Chai				
- direct	56,896,700	–	–	56,896,700
- indirect *	224,904,660	1,606,000	–	226,510,660
Dato' Yap Chor How	2,023,700	3,500,000	–	5,523,700
Dato' Yeap Weng Hong	6,812,000	–	–	6,812,000
Yeap Fock Hoong	4,610,000	–	–	4,610,000

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

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

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

The Options granted and exercised by Directors under the ESS during the year ended 31 March 2026 are as follows :

	Balance as at 1.4.25	**Granted**	**(Exercised)**	**Lapsed**	**Balance as at 31.3.26**
Dato' Yap Hoong Chai	7,200,000	–	–	–	7,200,000
Dato' Yap Chor How	6,400,000	–	(1,120,000)	–	5,280,000
Dato' Yeap Weng Hong	6,400,000	–	–	–	6,400,000
Ng Kim Tian	6,400,000	–	–	–	6,400,000

DIRECTORS' BENEFITS

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

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

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps :-

   i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts;

   ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

b) At the date of this report, the Directors are not aware of any circumstances which would render :-

   i) the amount written off for bad debts or the amount of the allowance for impairment of receivables in the Group and the Company inadequate to any substantial extent;

   ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

e) As at the date of this report there does not exist :-

   i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

f) In the opinion of the Directors :-

   i) no contingent liability or other liabilities has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

   ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The total amount of fee paid to or receivable by the Auditors, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 March 2026 amounted to RM388,000 and RM100,000 respectively.

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

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

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

____
DATO' YAP HOONG CHAI

____
DATO' YAP CHOR HOW

Klang, Selangor
Dated: 29 June 2026

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LAY HONG BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Lay Hong Berhad, which comprise the statements of financial position as at 31 March 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 100 to 173.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matter	***How the matter was addressed in our audit***
<u>Fair Value of Biological Assets</u>	<u>Our audit procedures over this area included:</u>
The value of biological assets of the Group was approximately RM96,578,904. The fair value of biological assets was subject to the livestocks' life to maturity, mortality rate, production quantity, selling prices, variable costs and profit margins. In addition, there was a high volume of livestocks held at year end. In determining the fair value of the biological assets, the Group uses the discounted cash flow model. We have identified the valuation of biological assets as a key audit matter due to the significant judgement and estimates that were used in determining the fair value of the layers and breeders, in particular the estimated selling price and expected quantity of the table eggs and day-old-chick to be produced, the cost of feeds for the remaining life and residual values of the layers and breeders.	We gained an understanding of the process in determining the fair value of biological assets including the test of internal controls in respect of the recording of purchase of layers and breeders, feeds and other consumables; We assessed the appropriateness of the key assumptions such as feed costs, projected selling prices and mortality rates used by the management in the valuation model by comparing to the historical data and other collaborative evidence available; We also compared actual expenses and selling prices against assumptions to assess the accuracy of management's estimates; We tested the capitalised cost as part of the valuation method which includes starter cost (Day-old-chick), cost of feed consumed and cost of other consumables;

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Key Audit Matters (Cont'd)

Key audit matter	*How the matter was addressed in our audit*
Fair Value of Biological Assets (cont'd)	Our audit procedures over this area included:
	We tested the amortisation of layers and breeders in accordance with the Group's policy; We assessed the reasonableness of discount rate used to reflect the time value of money; We evaluated the adequacy and appropriateness of the disclosures including the disclosure of key assumption in the valuation methodology and estimation made by the management. Based on the above procedures performed, we noted no significant exceptions.
Impairment on Receivables	Our audit procedures over this area included:
This assessment on the recoverability of receivables is significant to our audit as it involves significant management judgement and estimation uncertainty in analysing historical payment pattern and customers' creditworthiness and is also affected by expected future market and economic condition.	We reviewed the Group policy in relation to the impairment on receivables calculation; We reviewed the ageing analysis of receivables and tested the reliability thereof; We also assessed the recoverability of receivables that were past due but not impaired with reference to the past historical repayment trends, customers credit profiles, past year end cash receipts and discussion with management to enquire the status of attempts by management to collect the amounts outstanding; We assessed the reasonableness and adequacy of the allowance for impairment recognised. Based on the above procedures performed, we noted no significant exception.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

Responsibilities of the Directors for the Financial Statements (Cont'd)

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matters

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

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

DOO GHIN SZE
02468/10/2026 J
Chartered Accountant

Date: 29 June 2026
Kuala Lumpur

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	2026 RM	2025 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	841,176,094	640,603,083
Investment properties	6	14,404,850	7,512,000
Other investments	8	5,774,050	4,817,896
Intangible assets	9	2,953,714	3,661,471
		864,308,708	656,594,450
Current assets			
Biological assets	10	96,578,904	104,237,842
Inventories	11	128,474,689	138,301,071
Trade receivables	12	96,325,836	86,940,652
Other receivables	13	35,788,684	37,498,023
Deposits with a licensed bank	14	609,012	10,594,745
Short term investment	15	10,218,390	10,141,404
Cash and bank balances	16	80,788,161	54,927,607
		448,783,676	442,641,344
TOTAL ASSETS		1,313,092,384	1,099,235,794
EQUITY AND LIABILITIES			
Equity			
Share capital	17	180,911,863	180,337,417
Reserves	18	648,878,064	463,381,229
		829,789,927	643,718,646
Non-controlling interests		11,134,090	11,639,991
Total equity		840,924,017	655,358,637
Non-current liabilities			
Borrowings	19	82,331,405	94,404,121
Deferred tax liabilities	20	111,111,335	83,237,576
		193,442,740	177,641,697
Current liabilities			
Trade payables	21	87,176,183	78,693,821
Other payables	22	78,190,639	72,686,547
Current tax liabilities		2,426,761	6,116,453
Borrowings	19	110,932,044	108,738,639
		278,725,627	266,235,460
Total liabilities		472,168,367	443,877,157
TOTAL EQUITY AND LIABILITIES		1,313,092,384	1,099,235,794

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	2026 RM	2025 RM
ASSETS			
Non-current assets			
Property, plant and equipment	5	300,425,577	220,234,900
Investment in subsidiaries	7	158,416,464	122,416,464
Other investments	8	5,695,504	4,739,902
Amount due from subsidiaries	7	40,360,166	42,129,544
		504,897,711	389,520,810
Current assets			
Biological assets	10	62,580,481	66,676,544
Inventories	11	15,906,034	15,040,225
Trade receivables	12	23,590,039	23,596,249
Other receivables	13	24,255,831	23,847,540
Amount due from subsidiaries	7	104,090,948	134,101,673
Deposit with licensed banks	14	–	10,000,000
Short term investment	15	10,218,390	10,141,404
Cash and bank balances	16	62,364,380	31,837,001
		303,006,103	315,240,636
TOTAL ASSETS		807,903,814	704,761,446
EQUITY AND LIABILITIES			
Equity			
Share capital	17	180,911,863	180,337,417
Reserves	18	297,345,434	226,512,182
Total equity		478,257,297	406,849,599
Non-current liabilities			
Borrowings	19	37,579,334	42,369,560
Deferred tax liabilities	20	40,769,257	34,938,180
		78,348,591	77,307,740
Current liabilities			
Trade payables	21	38,316,261	34,671,701
Other payables	22	43,145,292	41,183,675
Amount due to subsidiaries	7	97,268,068	60,372,749
Borrowings	19	71,989,523	76,786,699
Current tax liabilities		578,782	7,589,283
		251,297,926	220,604,107
Total liabilities		329,646,517	297,911,847
TOTAL EQUITY AND LIABILITIES		807,903,814	704,761,446

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 RM	2025 RM
Revenue	23	1,124,765,498	1,073,710,287
Cost of sales		(868,193,169)	(806,909,694)
Gross profit		256,572,329	266,800,593
Other income		14,259,146	11,617,866
Selling and distribution expenses		(131,612,409)	(114,706,176)
Administrative expenses		(48,569,345)	(42,130,988)
Profit from operations		90,649,721	121,581,295
Finance costs		(10,566,917)	(11,923,680)
Profit before taxation		80,082,804	109,657,615
Taxation	25	(16,079,775)	(22,768,350)
Profit for the year		64,003,029	86,889,265
Other comprehensive income/(expense):			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		436,192	(37,443)
		436,192	(37,443)
Items that will not be reclassified subsequently to profit or loss			
Revaluation surplus on land and building		159,344,844	–
Tax effect relating to revaluation of land and buildings		(35,594,441)	–
		123,750,403	–
Other comprehensive income, net of tax		124,186,595	(37,443)
Total comprehensive income		188,189,624	86,851,822

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Note	2026 RM	2025 RM
Profit for the year attributable to :			
Owners of the Company		64,508,930	86,829,883
Non-controlling interests		(505,901)	59,382
		64,003,029	86,889,265
Total comprehensive income attributable to :			
Owners of the Company		188,695,525	86,792,440
Non-controlling interests		(505,901)	59,382
		188,189,624	86,851,822
Earning per share:			
- Basic	26	8.51	11.50
- Diluted	26	8.02	10.81
Dividend per share (sen)	27	0.4	0.8

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 RM	2025 RM
Revenue	23	490,335,999	488,250,641
Cost of sales		(399,524,007)	(372,731,694)
Gross profit		90,811,992	115,518,947
Other income		19,538,342	18,764,350
Selling and distribution expenses		(38,106,586)	(35,205,108)
Administrative expenses		(33,264,252)	(19,712,894)
Profit from operations		38,979,496	79,365,295
Finance costs		(5,395,778)	(6,466,201)
Profit before taxation		33,583,718	72,899,094
Taxation	25	(2,098,008)	(12,270,723)
Profit for the year		31,485,710	60,628,371
Other comprehensive income :			
Revaluation surplus on iand & buildings		54,641,207	–
Tax effects relating to revaluation of land & buildings		(12,094,968)	–
		42,546,232	–
Total comprehensive income		74,031,942	60,628,371
Dividends per share (sen)	27	0.4	0.3

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Note	Attributable to owners of the Company							
		Non-distributable				Distributable			
	Note	Share Capital RM	Revaluation Reserves RM	Foreign Currency Translation Reserve RM	Share Option Reserves RM	Retained Profits RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Balance at 1 April 2024		175,322,910	121,645,985	(115,523)	6,704,555	255,847,600	559,405,527	11,580,609	570,986,136
Transfer to distributable reserve on realisation of revaluation reserve		–	(2,925,515)	–	–	2,925,515	–	–	–
Profit for the year		–	–	–	–	86,829,883	86,829,883	59,382	86,889,265
Foreign currency transactions		–	–	(37,443)	–	–	(37,443)	–	(37,443)
Total comprehensive (expense)/income		–	–	(37,443)	–	86,829,883	86,792,440	59,382	86,851,822
Issue of shares pursuant to ESS exercised		5,014,507	–	–	(1,451,568)	–	3,562,939	–	3,562,939
Dividends	27	–	–	–	–	(6,042,260)	(6,042,260)	–	(6,042,260)
Total transactions with equity owner		5,014,507	–	–	(1,451,568)	(6,042,260)	(2,479,321)	–	(2,479,321)
Balance at 31 March 2025		180,337,417	118,720,470	(152,966)	5,252,987	339,560,738	643,718,646	11,639,991	655,358,637

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

		Attributable to owners of the Company							
		Non-distributable				Distributable			
	Note	Share Capital RM	Revaluation Reserves RM	Foreign Currency Translation Reserve RM	Share Option Reserves RM	Retained Profits RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Balance at 1 April 2025		180,337,417	118,720,470	(152,966)	5,252,987	339,560,738	643,718,646	11,639,991	655,358,637
Transfer to distributable reserve on realisation of revaluation reserve		–	(4,337,740)	–	–	4,337,740	–	–	–
Profit for the year		–	–	–	–	64,508,930	64,508,930	(505,901)	64,003,029
Revaluation surplus on land and buildings		–	123,750,403	–	–	–	123,750,403	–	123,750,403
Foreign currency transactions		–	–	436,192	–	–	436,192	–	436,192
Total comprehensive income/ (expense)		–	123,750,403	436,192	–	64,508,930	188,695,525	(505,901)	188,189,624
Issue of shares pursuant to ESS exercised		574,446	–	–	(166,287)	–	408,159	–	408,159
Dividends	27	–	–	–	–	(3,032,403)	(3,032,403)	–	(3,032,403)
Total transactions with equity owner		574,446	–	–	(166,287)	(3,032,403)	(2,624,244)	–	(2,624,244)
Balance at 31 March 2026		180,911,863	238,133,133	283,226	5,086,700	405,375,005	829,789,927	11,134,090	840,924,017

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

		Non-distributable			Distributable	
	Note	Share Capital RM	Revaluation Reserve RM	Share option reserve RM	Retained Profits RM	Total Equity RM
Balance at 1 April 2024		175,322,910	43,580,331	6,704,555	123,092,753	348,700,549
Transfer to distributable reserve on realisation of revaluation reserve		–	(904,282)	–	904,282	–
Profit for the year		–	–	–	60,628,371	60,628,371
Total comprehensive income		–	–	–	60,628,371	60,628,371
Issuance of ordinary shares pursuant to ESS exercised		5,014,507	–	(1,451,568)	–	3,562,939
Dividends	27	–	–	–	(6,042,260)	(6,042,260)
Total transactions with equity owner		5,014,507	–	(1,451,568)	(6,042,260)	(2,479,321)
Balance at 31 March 2025		180,337,417	42,676,049	5,252,987	178,583,146	406,849,599

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

		Non-distributable			Distributable	
	Note	Share Capital RM	Revaluation Reserve RM	Share option reserve RM	Retained Profits RM	Total Equity RM
Balance at 31 March 2025		180,337,417	42,676,049	5,252,987	178,583,146	406,849,599
Transfer to distributable reserve on realisation of revaluation reserve		–	(829,017)	–	829,017	–
Profit for the year		–	–	–	31,485,710	31,485,710
Revaluation surplus on land and buildings		–	42,546,232	–	–	42,546,232
Total comprehensive expense		–	42,546,232	–	31,485,710	74,031,942
Issuance of ordinary shares pursuant to ESS exercised		574,446	–	(166,287)	–	408,159
Dividends	27	–	–	–	(3,032,403)	(3,032,403)
Total transactions with equity owner		574,446	–	(166,287)	(3,032,403)	(2,624,244)
Balance at 31 March 2026		180,911,863	84,393,264	5,086,700	207,865,470	478,257,297

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		80,082,804	109,657,615
Adjustments for :-			
Amortisation of intangible assets		711,089	1,071,730
Depreciation of property, plant and equipment		52,327,199	50,631,532
Dividend income		(234,621)	(60,552)
Gain on disposal of property, plant and equipment		(67,618)	(263,649)
Property, plant and equipment written off		5,954,421	662,355
Gain on disposal of quoted investments		(54,796)	(104,333)
Impairment of inventories written back		(14,888)	(158,950)
Bad debts written off		48,352	941,089
Interest expense		10,566,917	11,923,680
Interest income		(2,071,729)	(1,670,497)
Net impairment losses on trade receivables		(68,211)	(156,729)
Changes in fair value on quoted investments		(956,154)	292,663
Changes in fair value on biological assets		9,120,435	(1,111,826)
Net unrealised loss on foreign exchange		570,781	311,427
Impairment loss on inventories		340,411	–
Changes in fair value in investment properties		(450,000)	–
Impairment loss on property, plant and equipment		307,498	–
Reversal of impairment loss on property, plant and equipment		(1,040,970)	–
Operating profit before working capital changes		155,070,920	171,965,555
Inventories and biological assets		8,423,496	(8,986,803)
Receivables		(7,655,986)	(3,788,500)
Payables		13,415,673	(3,788,317)
Cash generated from operations		169,254,103	155,401,935
Tax paid		(27,874,283)	(27,615,854)
Net cash generated from operating activities		141,379,820	127,786,081
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(a)	(83,200,548)	(38,775,260)
Proceeds from disposal of property, plant and equipment		390,850	1,106,606
Proceeds from disposal of investments		1,048,485	1,057,583
Purchase of investment properties		(6,442,850)	(1,242,000)
Withdrawal/(placement) of fixed deposit with a licensed bank		5,000,000	(5,000,000)
Net purchase of quoted investments		(993,689)	(5,531,143)
Interest received		2,071,729	1,670,497
Increase in deposits pledged to licensed banks		(14,267)	(15,643)
Dividend received		234,621	60,552
Addition of intangible assets		(2,050)	–
Net cash used in investing activities		(81,907,719)	(46,668,808)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Note	2026 RM	2025 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(10,566,917)	(11,923,680)
Net drawdown/(repayment) of bankers' acceptance		1,483,900	(61,761,900)
Drawdown of term loans		–	38,000,000
Repayment of term loans		(9,533,050)	(12,610,837)
Repayment of lease liabilities		(18,357,101)	(17,488,297)
Dividends paid to owners of the parent		(3,032,403)	(6,042,260)
Proceeds from issuance of ordinary shares pursuant to ESS		408,159	3,562,939
Net cash used in financing activities		(39,597,142)	(68,264,035)
NET INCREASE IN CASH AND CASH EQUIVALENTS		19,874,689	12,853,238
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		861,866	(94,611)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		64,771,864	52,013,237
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(b)	85,508,419	64,771,864

Note :

(a) Purchase of Property, Plant and Equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM99,526,503 (2025 : RM66,118,760) of which RM16,325,955 (2025 : RM27,343,500) was acquired by means of lease arrangements. Cash payment of 83,200,548 (2025 : RM38,775,260) were made to purchase property, plant and equipment.

	2026 RM	2025 RM
(b) Cash and cash equivalents		
Cash and bank balances	80,788,161	54,927,607
Deposits with a licensed bank (Note 14)	609,012	10,594,745
Short term investment (Note 15)	10,218,390	10,141,404
Bank overdrafts (Note 19)	(5,498,132)	(5,297,147)
	86,117,431	70,366,609
Less :		
Deposits pledged to a licensed bank	(609,012)	(594,745)
Fixed deposits with maturity of more than 3 months	–	(5,000,000)
	85,508,419	64,771,864

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		33,583,718	72,899,094
Adjustments for :-			
Depreciation of property, plant and equipment		17,499,255	16,132,686
Bad debts written off		–	742,253
Dividend income		(15,234,263)	(15,060,349)
Net gain on disposal of property, plant and equipment		(55,591)	(119,150)
Property, plant and equipment written off		1,301,580	–
Gain on disposal of quoted investments		(54,796)	(104,333)
Interest expense		5,395,778	6,466,201
Interest income		(1,796,820)	(2,044,026)
Net unrealised loss on foreign exchange		327,293	328,448
Reversal of impairment losses on trade receivables		–	(12,332)
Changes in fair value on biological assets		3,285,042	(3,323,186)
Changes in fair value on quoted investments		(955,602)	292,549
Impairment loss on trade receivables		1,892	–
Impairment loss on subsidiary		10,000,000	–
Operating profit before working capital changes		53,297,486	76,197,855
Inventories and biological assets		(54,788)	(4,525,426)
Receivables		(397,123)	3,488,959
Payables		5,613,429	1,907,150
Subsidiary		40,662,414	(22,800,796)
Cash generated from operations		99,121,418	54,267,742
Interest paid		(4,659)	(10,748)
Tax paid		(15,372,401)	(13,530,431)
Net cash provided by operating activities		83,744,358	40,726,563
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(a)	(36,215,775)	(13,659,051)
Proceeds from disposal of property, plant and equipment		60,500	119,151
Acquisition of additional quoted investments		(993,689)	(5,531,143)
Proceeds from disposal of investments		1,048,485	1,057,583
Acquisition of additional shares in subsidiary companies		(46,000,000)	(2,000,000)
Interest received		1,796,820	2,044,026
Dividend received		15,234,263	15,060,349
Placement of fixed deposits with a licensed bank		–	(5,000,000)
Withdrawal of fixed deposits with a licensed bank		5,000,000	–
Net cash used in investing activities		(60,069,396)	(7,909,085)

STATEMENT OF CASH FLOWS (CONTINUED)

	Note	2026 RM	2025 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(5,391,119)	(6,455,453)
Net repayment of bankers' acceptance		(4,703,000)	(36,181,000)
Drawdown of term loans		–	12,800,000
Repayment of term loans		(4,338,524)	(8,426,942)
Repayment of lease liabilities		(8,663,899)	(7,174,852)
Repayment from subsidiaries companies		27,962,892	37,277,100
Proceed from issuance of ordinary shares pursuant to ESS		408,159	3,562,939
Dividends paid to owners of the parent		(3,032,403)	(6,042,260)
Net cash provided by/(used in) financing activities		2,242,106	(10,640,468)
NET INCREASE IN CASH AND CASH EQUIVALENTS		25,917,068	22,177,010
EFFECT OF EXCHANGE RATE CHANGES		(291,279)	(467,544)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		44,751,118	23,041,652
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(b)	70,376,907	44,751,118

Note :

(a) Property, Plant and Equipment

During the year, the Company acquired property, plant and equipment with an aggregate cost of RM44,355,220 (2025 : RM32,500,246) of which RM8,139,445 (2025 : RM18,841,195) was acquired by means of lease arrangements. Cash payment of RM36,215,775 (2025 : RM13,659,051) was made to acquire the property, plant and equipment.

	2026 RM	2025 RM
(b) Cash and cash equivalents		
Cash and bank balances	62,364,380	31,837,001
Short term investment (Note 15)	10,218,390	10,141,404
Deposits with licensed banks (Note 16)	–	10,000,000
Bank overdrafts (Note 19)	(2,205,863)	(2,227,287)
	70,376,907	49,751,118
Less: Fixed deposits with maturity of more than 3 months	–	(5,000,000)
	70,376,907	44,751,118

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

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2026

1. GENERAL INFORMATION

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

The Company's registered office is at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

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

The financial statements were authorised for issue by the Board of Directors on 29 June 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance

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

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

Description	Effective for annual periods beginning on or after
Amendment to MFRS 121 The Effects of Changes in Foreign Exchange Rates : Lack of Exchangeability	1 January 2025

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

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

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

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

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

(a) Useful lives of Property, Plant and Equipment

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

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

(b) Loss Allowances of Financial Assets

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

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

2.4 Use of Estimates and Judgments (Cont'd)

(c) Measurement of Income Taxes

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

(d) Fair Value of Biological Assets

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

The key assumptions used in the discounted cash flow and the sensitivity analysis are disclosed in Note 10 to the financial statements.

(e) Allowance for Inventories

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

(f) Impairment of Goodwill

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

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

(g) Estimation Uncertainty in Relation to Leases

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

2.4 Use of Estimates and Judgments (Cont'd)

(g) Estimation Uncertainty in Relation to Leases (Cont'd)

Significant management judgement

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

Research and development costs

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Equity Instruments

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

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

3.2 Basis of Consolidation

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Basis of Consolidation (Cont'd)

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

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

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

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

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

Transactions with non-controlling interest

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

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

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

Loss of control

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Subsidiary Companies

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

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

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

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

3.4 Intangible Assets

(a) Goodwill

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

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

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

(b) Research and development cost

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

Development costs, considered to have finite useful lives, are stated at costs less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years. The development costs are amortised when the future economic benefits start flowing into the Company. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at reporting date. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Property, Plant and Equipment

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

Subsequent to initial recognition, property, plant and equipment are stated at cost/valuation less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.13(b).

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Investment Property

(a) Investment property carried at fair value

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

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

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

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

(b) Reclassification to/from investment property

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

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

3.7 Income Taxes

(a) Current tax

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.7 Income Taxes (Cont'd)

(b) Deferred tax

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

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

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

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

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

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

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

3.8 Provision

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

3.9 Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Biological assets

Biological assets comprising of breeders and commercial layers are measured at fair value less cost to sell. Costs to sell include the incremental costs, directly attributable to the sale of agriculture products but excludes finance costs and income taxes. Purchases of livestock are directly expensed to profit or loss when incurred. Changes in fair value of livestock are recognised in the profit or loss.

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

Breeders

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

Commercial Layers

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

3.11 Inventories

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

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

3.12 Leases

(a) Definition of Lease

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.12 Leases (Cont'd)

(a) Definition of Lease (Cont'd)

- the Group and the Company have the right to direct the use of the asset. The Group and the Company have this right when they have the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group and the Company have the right to direct the use of the asset if either the Group and the Company have the right to operate the asset; or the Group and the Company designed the asset in a way that predetermines how and for what purpose it will be used.

(b) Recognition and initial measurement

(i) As a lessee

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

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

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

(ii) As a lessor

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.12 Leases (Cont'd)

(c) Subsequent measurement

(i) As a lessee

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

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

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

(ii) As a lessor

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

3.13 Impairment

(a) Financial assets

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.13 Impairment (Cont'd)

(a) Financial assets (Cont'd)

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

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

(b) Non-financial assets

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.14 Employee Benefit Costs

(a) Short term benefits

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

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

(b) Defined contribution plan

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

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

(c) Employee share option plans

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

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

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

3.15 Foreign Currency Transactions

(a) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.15 Foreign Currency Transactions (Cont'd)

(b) Foreign currency translations

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

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

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

3.16 Revenue Recognition

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

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

(a) Sales of goods

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

(b) Interest income

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

(c) Rental income

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

(d) Management fee

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.16 Revenue Recognition (Cont'd)

(e) Serviced rendered

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

(f) Dividend income

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

3.17 Financial Instruments

(a) Initial Recognition and Measurement

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

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

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

(b) Derecognition of Financial Instruments

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.17 Financial Instruments (Cont'd)

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

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

(d) Financial Assets

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

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

(i) Financial Assets at Amortised Cost (AC) – A financial asset is measured at amortised cost if : (a) it is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(ii) Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) – A financial asset is measured at FVOCIif : (a) it is held within the Group's and the Company's business objective to hold the asset both to collect contractual cash flows and selling the financial assets, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(iii) Financial Assets at Fair Value through Profit or Loss (FVPL) – A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.13(a).

(e) Financial Liabilities

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

(i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.

(ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

(iii) Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for aloss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.17 Financial Instruments (Cont'd)

(f) Fair Value Measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 3.21.

(g) Recognition of Gains and Losses

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

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

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

3.18 Government Grant

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

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

3.19 Borrowing Costs

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

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

3.20 Contingencies

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.21 Fair Value Measurements

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

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

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

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

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

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

3.22 Segment Information

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

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

3.23 Related Parties

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

(a) A person or a close member of that person's family is related to a reporting entity if that person :-

   (i) has control or joint control over the reporting entity;

   (ii) has significant influence over the reporting entity; or

   (iii) is a member of the key management personnel of the reporting entity of a parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.23 Related Parties (Cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies :-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a) above.

(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

4. PRINCIPAL ACTIVITIES

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
At 1 April 2024	100,898,203	56,257,087	315,299,580	24,701,286	427,673,828	39,511,255	41,251,389	19,338,525	21,282,275	1,046,213,428
Additions	–	1,875,076	3,272,356	2,941,345	7,167,979	4,805,189	2,693,987	36,929,213	6,433,615	66,118,760
Disposals	–	–	–	–	(963,600)	(2,207,592)	(289,540)	–	–	(3,460,732)
Written off	–	–	(177,569)	–	(6,173,585)	–	(375,500)	(325,404)	(216,787)	(7,268,845)
Completion of lease	–	–	–	–	(452,210)	–	–	–	(4,777,336)	(5,229,546)
Reclassifications	–	–	6,165,174	866,571	17,744,533	–	898,941	(25,675,219)	–	–
Remeasurement/ Derecognised	–	–	–	–	–	–	–	–	24,475	24,475
Exchange differences	23,000	–	78,491	–	(4,789)	3,425	5,630	1,183	–	106,940
At 31 March 2025	100,921,203	58,132,163	324,638,032	28,509,202	444,992,156	42,112,277	44,184,907	30,268,298	22,746,242	1,096,504,480
Additions	10,802,645	300,000	1,484,446	239,217	6,422,678	4,142,797	3,250,009	67,914,768	4,969,943	99,526,503
Disposals	–	–	–	–	(268,957)	(1,365,440)	(213,611)	–	–	(1,848,008)
Written off	–	–	(4,830,168)	–	(24,713,560)	(712,636)	(2,365,615)	–	216,785	(32,405,194)
Reclassifications	10,800	291,995	15,384,677	(8,373,793)	15,002,502	23,430	(447,342)	(21,892,269)	–	–
Remeasurement/ Derecognised	–	–	–	–	–	–	–	–	(495,158)	(495,158)
Revaluation	18,884,269	13,566,235	55,379,005	–	–	–	–	–	–	87,829,509
Completion of lease	–	–	–	–	–	–	–	–	269,954	269,954
Exchange differences	(192,054)	–	(360,313)	–	(258,977)	(28,599)	(49,587)	–	–	(889,530)
At 31 March 2026	130,426,863	72,290,393	391,695,679	20,374,626	441,175,842	44,171,829	44,358,761	76,290,797	27,707,766	1,248,492,556

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
Accumulated depreciation										
At 1 April 2024	–	4,492,494	63,533,954	7,439,402	261,621,299	32,293,983	24,398,345	–	9,819,873	403,599,350
Charge for the financial year	–	1,541,941	11,711,649	1,209,532	25,141,837	2,903,420	2,499,173	–	5,623,980	50,631,532
Disposals	–	–	–	–	(406,244)	(2,207,591)	(3,940)	–	–	(2,617,775)
Written off	–	–	(137,616)	–	(5,932,368)	–	(310,918)	–	(216,787)	(6,597,689)
Completion of lease	–	–	–	–	(452,210)	–	–	–	(4,777,336)	(5,229,546)
Exchange differences	–	–	(80,400)	–	111,720	3,410	5,310	–	–	40,040
At 31 March 2025	–	6,034,435	75,027,587	8,648,934	280,084,034	32,993,222	26,587,970	–	10,449,730	439,825,912
Charge for the financial year	–	1,553,165	11,644,405	1,362,705	25,827,663	3,396,904	2,613,686	–	5,928,671	52,327,199
Disposals	–	–	–	–	(158,119)	(1,365,440)	(1,217)	–	–	(1,524,776)
Written off	–	–	(1,710,103)	–	(22,423,609)	(712,636)	(1,820,891)	–	216,785	(26,450,454)
Reclassifications	–	–	4,409,570	(4,317,910)	–	–	(44,853)	–	–	46,807
Remeasurement/ Derecognised	–	–	–	–	–	–	–	–	(495,158)	(495,158)
Revaluation	–	(3,792,112)	(67,803,091)	–	–	–	–	–	–	(71,595,203)
Completion of lease farm	–	–	–	–	–	–	–	–	269,954	269,954
Exchange differences	–	–	(101,948)	–	(151,569)	(28,593)	(52,012)	–	–	(334,122)
At 31 March 2026	–	3,795,488	21,466,420	5,693,729	283,178,400	34,283,457	27,282,683	–	16,369,982	392,070,159

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Group	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
Accumulated impairment losses										
At 1 April 2024	38,157	–	11,492,150	–	4,263,976	–	279,711	–	–	16,073,994
Written off	–	–	–	–	–	–	(8,801)	–	–	(8,801)
Exchange differences	–	–	10,292	–	–	–	–	–	–	10,292
At 31 March 2025	38,157	–	11,502,442	–	4,263,976	–	270,910	–	–	16,075,485
Addition	–	–	–	–	307,448	–	50	–	–	307,498
Written off	–	–	–	–	–	–	(320)	–	–	(320)
Reversal	(38,157)	–	(1,002,813)	–	–	–	–	–	–	(1,040,970)
Exchange differences	–	–	(85,942)	–	(9,446)	–	(2)	–	–	(95,390)
At 31 March 2026	–	–	10,413,687	–	4,561,978	–	270,638	–	–	15,246,303
Net carrying amount										
Cost	4,661,574	14,242,692	59,592,405	19,860,268	160,644,146	9,119,055	17,326,027	30,268,298	12,296,512	328,010,977
Valuation	96,221,472	37,855,036	178,515,598	–	–	–	–	–	–	312,592,106
31 March 2025	100,883,046	52,097,728	238,108,003	19,860,268	160,644,146	9,119,055	17,326,027	30,268,298	12,296,512	640,603,083
Net carrying amount										
Cost	10,813,445	2,769,906	26,369,514	14,680,897	153,435,464	9,888,372	16,805,440	76,290,797	11,337,784	322,391,619
Valuation	119,613,418	65,724,999	333,446,058	–	–	–	–	–	–	518,784,475
31 March 2026	130,426,863	68,494,905	359,815,572	14,680,897	153,435,464	9,888,372	16,805,440	76,290,797	11,337,784	841,176,094

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Company	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
Cost/Valuation										
At 1 April 2024	40,952,000	6,130,000	82,438,509	8,673,456	148,761,096	18,968,117	8,299,136	11,593,500	1,612,649	327,428,463
Additions	–	–	1,626,131	25,173	2,735,728	2,539,332	182,330	24,668,644	722,908	32,500,246
Disposals	–	–	–	–	–	(1,322,238)	–	–	–	(1,322,238)
Written off	–	–	–	–	(5,762,953)	–	(6,595)	–	–	(5,769,548)
Reclassifications	–	–	4,887,864	704,771	15,878,232	–	898,941	(22,369,808)	–	–
At 31 March 2025	40,952,000	6,130,000	88,952,504	9,403,400	161,612,103	20,185,211	9,373,812	13,892,336	2,335,557	352,836,923
Additions	8,812,882	–	253,317	21,845	842,999	1,344,273	505,826	31,802,172	771,906	44,355,220
Disposals	–	–	–	–	(31,000)	(857,722)	–	–	–	(888,722)
Written off	–	–	(39,450)	–	(6,084,511)	–	(405,655)	–	–	(6,529,616)
Reclassifications	10,800	–	7,471,036	(4,608,764)	10,415,718	23,430	(447,342)	(12,864,878)	–	–
Revaluation	7,278,000	1,270,000	27,111,499	–	–	–	–	–	–	35,659,499
Completion of lease	–	–	–	–	–	–	–	–	(790,886)	(790,886)
At 31 March 2026	57,053,682	7,400,000	123,748,906	4,816,481	166,755,309	20,695,192	9,026,641	32,829,630	2,316,577	424,642,418
Accumulated depreciation										
At 1 April 2024	–	311,439	10,644,581	2,172,295	86,928,938	14,669,555	7,262,835	–	894,110	122,883,753
Charge for the financial year	–	103,813	3,536,013	441,132	9,654,121	1,679,782	324,509	–	393,317	16,132,687
Disposals	–	–	–	–	–	(1,322,238)	–	–	–	(1,322,238)
Written off	–	–	–	–	(5,762,953)	–	(6,595)	–	–	(5,769,548)
At 31 March 2025	–	415,252	14,180,594	2,613,427	90,820,106	15,027,099	7,580,749	–	1,287,427	131,924,654

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

Company	Freehold Land RM	Leasehold Land RM	Buildings RM	Infrastructure RM	Plant and Machinery RM	Motor vehicles RM	Office Equipment, Furniture, Fittings and Renovation RM	Capital Work-In-Progress RM	Leasehold building RM	Total RM
Accumulated depreciation										
Balance B/F	–	415,252	14,180,594	2,613,427	90,820,106	15,027,099	7,580,749	–	1,287,427	131,924,654
Charge for the financial year	–	103,814	3,515,060	450,602	10,783,519	1,738,117	415,930	–	492,213	17,499,255
Disposals	–	–	–	–	(26,091)	(857,722)	–	–	–	(883,813)
Written off	–	–	(13,216)	–	(4,998,624)	–	(216,196)	–	–	(5,228,036)
Reclassification	–	–	2,381,185	(2,336,332)	–	–	(44,853)	–	–	–
Revaluation	–	(519,066)	(18,462,636)	–	–	–	–	–	–	(18,981,702)
Completion of lease	–	–	–	–	–	–	–	–	(790,886)	(790,886)
At 31 March 2026	–	–	1,600,987	727,697	96,578,910	15,907,494	7,735,630	–	988,754	123,539,472
Accumulated impairment losses										
At 1 April 2025/ 31 March 2026	–	–	–	–	677,369	–	–	–	–	677,369
Net carrying amount										
Cost	1,450,000	–	14,175,554	6,789,973	70,114,628	5,158,112	1,793,063	13,892,336	1,048,130	114,421,796
Valuation	39,502,000	5,714,748	60,596,356	–	–	–	–	–	–	105,813,104
31 March 2025	40,952,000	5,714,748	74,771,910	6,789,973	70,114,628	5,158,112	1,793,063	13,892,336	1,048,130	220,234,900
Cost	8,823,682	–	8,484,140	4,088,784	69,499,030	4,787,698	1,291,011	32,829,630	1,327,823	131,131,798
Valuation	48,230,000	7,400,000	113,663,779	–	–	–	–	–	–	169,293,779
31 March 2026	57,053,682	7,400,000	122,147,919	4,088,784	69,499,030	4,787,698	1,291,011	32,829,630	1,327,823	300,425,577

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Leased assets

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

	Leasehold Land RM	Plant and Machinery RM	Motor Vehicles RM	Capital Work-in-Progress RM	Leasehold Buildings RM	Total RM
Group						
At 1 April 2024	51,764,592	34,548,164	6,335,731	214,810	11,523,011	104,386,308
Additions	1,875,075	16,840,115	4,768,042	1,691,572	7,865,799	33,040,603
Charge for the financial year	(1,541,940)	(3,669,239)	(2,547,632)	–	(7,038,136)	(14,796,947)
Reclassification	–	(1,560,893)	(17,804)	–	–	(1,578,697)
Asset fully settled during the year	–	(60,605)	(2,667)	–	–	(63,272)
At 31 March 2025	52,097,727	46,097,542	8,535,670	1,906,382	12,350,674	120,987,995
Additions	300,000	7,376,831	3,184,727	2,861,862	4,969,943	18,693,363
Disposal	–	–	(41,779)	–	–	(41,779)
Revaluation	17,358,345	–	–	–	–	17,358,345
Charge for the financial year	(1,553,164)	(4,113,325)	(2,964,433)	–	(5,928,671)	(14,559,593)
Reclassification	291,997	(3,288,313)	(104,219)	–	(54,162)	(3,154,697)
Asset fully settled during the year	–	(650,410)	(2)	–	–	(650,412)
At 31 March 2026	68,494,905	45,422,325	8,609,964	4,768,244	11,337,784	138,633,222
Company						
At 1 April 2024	5,818,561	18,504,962	4,288,001	–	718,539	29,330,063
Additions	–	15,773,350	2,539,332	–	722,908	19,035,590
Charge for the financial year	(103,813)	(1,777,409)	(1,677,839)	–	(393,317)	(3,952,378)
At 31 March 2025	5,714,748	32,500,903	5,149,494	–	1,048,130	44,413,275
Additions	–	6,144,563	1,365,203	–	771,906	8,281,672
Charge for the financial year	(103,813)	(2,638,182)	(1,736,175)	–	(492,213)	(4,970,383)
Revaluation	1,789,065	–	–	–	–	1,789,065
Reclassification	–	(1,580,855)	(104,219)	–	–	(1,685,074)
At 31 March 2026	7,400,000	34,426,429	4,674,303	–	1,327,823	47,828,555

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Leased assets (Cont'd)

The Group and Company entered into non-cancellable operating lease agreements for the use of land and building. The Group's and Company's leases are for a period of 1 to 999 years (2025 :1 to 999 years), with no purchase option.

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

Security

Freehold land, leasehold land and buildings of the Group and of the Company with net carrying amount of RM152,445,025 (2025: RM82,272,536) and RM3,800,000 (2025: RM1,450,000) have been pledged to financial institutions as security for borrowings as disclosed in Note 19.

Valuation

The freehold land and buildings of the Company were revalued on 31 March 2026 (2025: 1 March 2021) by an independent professional valuer. The valuations were based on market value using Comparison Method of valuation for the lands whereas Depreciated Replacement Cost Method of valuation for the buildings.

Under the comparison method, the properties' fair value is estimated based on comparable transactions. This method is categorised as Level 2 in the fair value hierarchy.

The comparison method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and share of the land, tenure, title restrictions, if any and other relevant characteristics.

The estimated value of the buildings and structure is calculated using the Depreciated Replacement Cost Method whereby their values are taken to equal the cost of replacing the items in their existing conditions and states of repairs. This is determined by taking into consideration the present replacement cost of the above items as new and allowing for depreciation for physical condition, economic obsolescence and other relevant factors.

The buildings valued using this method is categorised as level 3 in the fair value hierarchy. The significant unobservable inputs for this category of assets are the replacement cost per square meter for the buildings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Valuation

The following table provide the fair value measurement hierarchy of the freehold land and buildings as follows:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2026				
Leasehold land	–	65,724,999	–	65,724,999
Freehold land	–	119,613,418	–	119,613,418
Buildings	–	–	333,446,058	333,446,058
	–	185,338,417	333,446,058	518,784,475
2025				
Leasehold land	–	40,855,000	–	40,855,000
Freehold land	–	96,263,123	–	96,263,123
Buildings	–	212,253,933	–	212,253,933
	–	349,372,056	–	349,372,056
Company				
2026				
Leasehold land	–	7,400,000	–	7,400,000
Freehold land	–	48,230,000	–	48,230,000
Buildings	–	–	113,663,779	113,663,779
	–	55,630,000	113,663,779	169,293,779
2025				
Leasehold land	–	6,130,000	–	6,130,000
Freehold land	–	39,502,000	–	39,502,000
Buildings	–	73,144,830	–	73,144,830
	–	118,776,830	–	118,776,830

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Valuation (Cont'd)

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Leasehold land	23,682,469	30,021,253	1,445,118	1,471,701
Freehold land	53,294,855	36,787,940	12,904,424	11,454,424
Buildings	142,375,666	131,435,423	49,592,431	33,401,656
	219,352,990	198,244,616	63,941,973	46,327,781

The following are the amount recognised in profit or loss :

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Depreciation for:				
- property, plant and equipment	37,761,162	35,980,633	12,528,871	12,180,309
- right-of-use assets	14,566,037	14,650,899	4,970,383	3,952,377
Gain on disposal of property, plant and equipment	(67,618)	(263,649)	(55,591)	(119,150)
Property, plant and equipment written off	5,954,420	662,355	1,301,581	–
Impairment loss on property, plant and equipment	307,498	–	–	–
Reversal of impairment loss on property, plant and equipment	(1,040,970)	–	–	–

6. INVESTMENT PROPERTIES

Investment properties measured at fair value:

	Group	
	2026 RM	2025 RM
At 1 April	7,512,000	6,270,000
Addition	6,442,850	1,242,000
Changes in fair value	450,000	–
At 31 March	14,404,850	7,512,000

The investment properties comprise leasehold buildings and commercial properties that are leased to the related companies and third parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT PROPERTIES (CONT'D)

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

	Group	
	2026 RM	2025 RM
Rental income	299,719	286,882
Direct operating expenses	(138,385)	(63,866)

Security

Certain investment properties amounting to RM6,720,000 (2025 : RM6,270,000) have been pledged to financial institutions as security for borrowings as disclosed in Note 19.

Valuation

The leasehold buildings and commercial properties were revalued on 31 March 2026 (2025: 1 March 2021) by an independent professional valuer. The valuations were based on market value using Comparison Method of valuation. Under the comparison method, the properties' fair value is estimated based on comparable transactions. This method is categorised as Level 2 in the fair value hierarchy.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

The following table provide the fair value measurement hierarchy of the leasehold buildings and commercial properties as follow :-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Leasehold buildings	–	4,520,000	–	4,520,000
Commercial properties	–	–	9,884,850	9,884,850
	–	4,520,000	9,884,850	14,404,850
2025				
Leasehold buildings	–	4,110,000	–	4,110,000
Commercial properties	–	–	3,402,000	3,402,000
	–	4,110,000	3,402,000	7,512,000

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. SUBSIDIARY COMPANIES

A. INVESTMENT IN SUBSIDIARIES

	Company 2026 RM	2025 RM
Unquoted shares in Malaysia, at cost		
At 1 April	122,416,464	120,416,464
Add :		
Addition	46,000,000	2,000,000
	168,416,464	122,416,464
Less : Impairment investment in subsidiaries	(10,000,000)	–
At 31 March	158,416,464	122,416,464

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

Name of Company	Principal place of business and country of Incorporation	Effective interest 2026 %	2025 %	Principal activities
Hing Hong Sdn Berhad	Malaysia	100	100	Layer parent stock breeder farm & hatchery
Innofarm (Klang) Sdn Bhd	Malaysia	70	70	Layer farm
Evergreen Organic Fertilisers Sdn Berhad	Malaysia	100	100	Organic fertiliser production
Innobrid Sdn Bhd	Malaysia	100	100	Broiler farm
G-Mart Borneo Retail Sdn Bhd	Malaysia	70	70	Retail supermarkets
Eminent Farm Sdn Bhd	Malaysia	100	100	Broiler parent stock breeder farm, hatchery and broiler farm
Lay Hong Liquid Egg Sdn Bhd	Malaysia	100	100	Eggs processing
Lay Hong Food Corporation Sdn Bhd	Malaysia	100	100	Processing and manufacturing of chicken related products
JT Trading Sdn Bhd	Malaysia	100	100	Retail store
Takaso SC (Thailand) Limited **	Thailand	100	100	Food manufacturing
Gmart SG Sdn Bhd	Malaysia	100	100	Fresh Mart

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. SUBSIDIARY COMPANIES (CONT'D)

A. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Company	Principal place of business and country of Incorporation	Effective interest 2026 %	Effective interest 2025 %	Principal activities
Sri Tawau Farming Sdn Bhd ("STF")	Malaysia	100	100	Investment holding
Nutriplus Food Manufacturing Sdn Bhd	Malaysia	100	100	Food manufacturing
Subsidiaries held by STF				
STF Agriculture Sdn Bhd	Malaysia	100	100	Integrated livestock farming and chicken processing
ST Food Sdn Bhd	Malaysia	100	100	Retail store

** The financial statements not audited by Tai, Yapp & Co PLT.

During the year, the Company subscribed for addtional ordinary shares in the capital of the following subsidiaries for an aggregate cash consideration of RM46,000,000.

Name of Company	RM
Innobrid Sdn Bhd	20,000,000
Lay Hong Liquid Egg Sdn Bhd	6,000,000
Lay Hong Food Corporation Sdn Bhd	20,000,000
	46,000,000

(b) <u>Non-controlling interest in subsidiaries</u>

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

Name of Company	Equity interest 2026 %	Equity interest 2025 %	Loss allocated to NCI 2026 RM	Loss allocated to NCI 2025 RM	Carrying amount of NCI 2026 RM	Carrying amount of NCI 2025 RM
Group						
G-Mart Borneo Retail Sdn Bhd	30	30	(2,079)	(17,738)	9,617,254	9,619,333

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. SUBSIDIARY COMPANIES (CONT'D)

A. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) <u>Non-controlling interest in subsidiaries</u> (Cont'd)

Summary of financial information of the subsidiaries that have material NCI before intra group elimination are as follows:-

Name of Company	G-Mart Borneo Retail Sdn Bhd 2026 RM	2025 RM
Summarised Statement of Financial Position		
Total assets	62,918,384	64,377,719
Total liabilities	(30,860,869)	(32,313,275)
Net assets	32,057,515	32,064,444
Summarised Statement of Profit or Loss and Other Comprehensive income		
Revenue	137,554,700	133,203,533
Profit before taxation	111,074	17,180
Taxation	(118,003)	(76,308)
Loss for the year	(6,929)	(59,128)
Total comprehensive expense	(6,929)	(59,128)
Summarised Statement of Cash Flows		
Cash generated from operating activities	20,994,245	6,989,388
Net cash used in investing activities	(221,773)	(283,676)
Cash provided by/(used in) financing activities	(21,117,374)	(7,968,882)
Net increase/(decrease) in cash and cash equivalents	(347,902)	(1,263,170)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. SUBSIDIARY COMPANIES (CONT'D)

B. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2026 RM	2025 RM
Non-current asset		
Non-trade	40,360,166	42,129,544
Current assets		
Trade	39,295,782	79,413,923
Non-trade	64,795,166	54,687,750
	104,090,948	134,101,673
Current liabilities		
Trade	(152,392)	441,998
Non-trade	(97,115,676)	(60,814,747)
	(97,268,068)	(60,372,749)

The trade balance due from/(to) subsidiaries are subject to normal trade credit terms.

The non-trade balance due from subsidiaries are unsecured, interest free advances and receivables on demand except for non-trade balance amounted to RM22,444,587 (2025 : RM24,925,170) which is subject to 5.01% (2025: 5.01%) interest per annum.

8. OTHER INVESTMENTS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Quoted shares, in Malaysia				
At 1 April	4,624,896	339,666	4,621,902	336,558
Addition	993,689	5,531,143	993,689	5,531,143
Disposal	(993,689)	(953,250)	(993,689)	(953,250)
Changes in fair value	956,154	(292,663)	955,602	(292,549)
At 31 March	5,581,050	4,624,896	5,577,504	4,621,902
Unquoted investment at cost, in Malaysia	193,000	193,000	118,000	118,000
	5,774,050	4,817,896	5,695,504	4,739,902

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INTANGIBLE ASSETS

	Goodwill RM	Development Costs RM	Total RM
Group			
Cost			
At 1 April 2024	3,263,603	5,541,078	8,804,681
Exchange differences	–	3,451	3,451
At 31 March 2025	3,263,603	5,544,529	8,808,132
Additions	–	2,050	2,050
Exchange differences	–	(2,491)	(2,491)
At 31 March 2026	3,263,603	5,544,088	8,807,691
Accumulated amortisation			
At 1 April 2024	322,800	3,746,924	4,069,724
Charge during the year	–	1,071,730	1,071,730
Exchange differences	–	5,207	5,207
At 31 March 2025	322,800	4,823,861	5,146,661
Charge during the year	–	711,089	711,089
Exchange differences	–	(3,773)	(3,773)
At 31 March 2026	322,800	5,531,177	5,853,977
Net carrying amount			
At 31 March 2026	2,940,803	12,911	2,953,714
At 31 March 2025	2,940,803	720,668	3,661,471

The goodwill on consolidation is attributable to the acquisition of Sri Tawau Farming Sdn Bhd, Innobrid Sdn Bhd, G-Mart Borneo Retail Sdn Bhd, ST Food Sdn Bhd and JT Trading Sdn Bhd.

Development costs consists of raw material cost, packing cost and manpower cost for development of new products.

Impairment tests for cash-generating unit (“CGU”) containing goodwill

The Group considers each subsidiary as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiaries.

The recoverable amount of a CGU is determined based on value-in-use calculation. The value-in-use calculation is determined using cash flows projections, based on financial budgets approved by management, discounted at rates which reflect risks relating to the relevant CGU.

The discount rate applied to the cash flow projections is based on the weighted average cost of capital of the Group, throughout the calculation period. The growth rate used is consistent with the projected growth rate of the CGU’s industry and economy.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. BIOLOGICAL ASSETS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At fair value less cost to sell:				
Layer breeders	3,694,274	5,136,030	364,419	–
Broiler breeders	7,275,729	6,982,063	–	–
Commercial layers	85,608,901	92,119,749	62,216,062	66,676,544
	96,578,904	104,237,842	62,580,481	66,676,544

Biological assets movement can be analysed as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At 1 April	104,237,842	103,238,150	66,676,544	61,142,151
Increase due to purchase	16,037,319	16,862,556	6,653,256	9,434,353
Biological asset losses	(6,713,146)	(8,053,788)	(2,102,469)	(2,452,132)
Changes in fair value	(9,120,435)	1,111,826	(3,285,042)	3,323,186
Depopulation	(7,862,676)	(8,920,902)	(5,361,808)	(4,771,014)
At 31 March	96,578,904	104,237,842	62,580,481	66,676,544

In measuring the fair value of biological assets, management estimates and judgements are required, which include the usage of discounted cash flow model, expected number of day-old-chick ("DOC") and table eggs produced, the estimated selling prices, discount rate, mortality rate, feed consumption rate, feed costs and other estimated costs over the remaining life of the breeders and layers.

The Group and the Company have classified their biological assets measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Discounted cash flows: - The valuation method considers the expected quantity and price of DOC and table eggs to be produced over the life of the breeder and layer, taking into account of expected growing cost and the breeder's and layer's mortality rate.	Significant assumptions made in determining the fair value of the layer and breeder as follows: - estimated selling price of the agriculture produce - estimated feed cost	The estimated fair value is sensitive to the estimated selling price of the agriculture produce and the estimated feed cost

10. BIOLOGICAL ASSETS (CONT'D)

The following table provide the fair value measurement hierarchy of the Group's and the Company's biological assets as follows :

Group	Level 1 RM	Level 2 RM	Level 3 RM
2026			
Biological assets	–	–	96,578,904
2025			
Biological assets	–	–	104,237,842

Company	Level 1 RM	Level 2 RM	Level 3 RM
2026			
Biological assets	–	–	62,580,481
2025			
Biological assets	–	–	66,676,544

Sensitivity analysis

If the estimated projected selling prices of the biological assets of the Group and of the Company had been 5% higher/lower than management estimates, the fair value of the biological assets would have increased/decreased by RM12,496,516 and RM10,841,379 (2025 : RM14,789,025 and RM11,242,821) respectively.

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

11. INVENTORIES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At cost:				
Raw materials	32,908,178	30,978,971	9,008,186	9,188,984
Manufactured and trading inventories	94,276,430	105,758,597	6,897,848	5,851,241
	127,184,608	136,737,568	15,906,034	15,040,225
At net realisable value:				
Manufactured and trading inventories	1,290,081	1,563,503	–	–
Total	128,474,689	138,301,071	15,906,034	15,040,225
Inventories recognised as an expense in profit or loss	880,180,597	806,909,694	399,524,007	372,731,694
Impairment loss on inventories write back	(14,888)	(158,950)	–	–
Impairment loss on inventories	340,411	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. TRADE RECEIVABLES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Trade receivables	96,548,162	87,261,573	23,594,427	23,627,348
Impairment losses	(222,326)	(320,921)	(4,388)	(31,099)
	96,325,836	86,940,652	23,590,039	23,596,249

The Group's normal credit term for trade receivables ranges from 45 days to 180 days (2025: 45 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At 1 April	320,921	477,650	31,099	43,431
Recognised in profit or loss	28,991	83,509	1,892	–
Reversal of impairment	(98,983)	(240,238)	–	(12,332)
Bad debts written off	(28,603)	–	(28,603)	–
At 31 March	222,326	320,921	4,388	31,099

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
SGD	3,776,207	3,348,669	222,077	–
USD	36,676	–	36,676	–

13. OTHER RECEIVABLES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other receivables	25,594,310	25,556,350	20,585,721	20,186,809
Deposits	6,227,975	7,467,093	1,398,761	1,383,288
Prepayments	3,968,180	4,474,580	2,271,349	2,277,443
	35,790,465	37,498,023	24,255,831	23,847,540
Impairment loss	(1,781)	–	–	–
	35,788,684	37,498,023	24,255,831	23,847,540

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. OTHER RECEIVABLES (CONT'D)

Group and Company

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At 1 April	–	–	–	–
Recognised in profit or loss	1,781	–	–	–
At 31 March	1,781	–	–	–

14. DEPOSITS WITH A LICENSED BANK

Group and Company

Included is fixed deposits with a licensed bank of the Group and of the Company is RM609,012 (2025 : RM594,745) have been pledged to a licensed bank for banking facilities granted to a subsidiary.

The effective interest rate of the deposits with a licensed bank at the end of the reporting date is ranging from 3.4% to 4.1% (2025: 3.4% to 4.1%) per annum. The maturity period of the deposits with a licensed bank at the end of the reporting date is ranging from 3 to 12 months (2025: 3 to 12 months).

15. SHORT TERM INVESTMENT

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

16. CASH AND BANK BALANCES

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
USD	5,612	29,945	–	–
SGD	1,712,230	5,467,586	1,712,230	5,467,586

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. SHARE CAPITAL

	Group and Company			
	2026		2025	
	Number of shares	RM	Number of shares	RM
Issued and fully paid :				
At 1 April	757,961,470	180,337,417	744,765,400	175,322,910
Issuance of shares pursuant to ESS exercised	1,511,700	574,446	13,196,070	5,014,507
At 31 March	759,473,170	180,911,863	757,961,470	180,337,417

All the shares issued have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

During the financial year, the Company increased its issued and paid up share capital from RM180,337,417 to RM180,911,863 by way of issuance of 1,511,700 new ordinary shares pursuant to the options exercised under the Employees' Share Scheme ("ESS") at exercise price of RM0.27 per ordinary share for cash.

In year 2025, the Company increased its issued and paid up share capital from RM175,322,910 to RM180,337,417 by way of issuance of 13,196,070 new ordinary shares pursuant to the options exercised under the Employees' Share Scheme ("ESS") at exercise price of RM0.27 per ordinary share for cash.

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

Employees' Share Scheme ("ESS")

The ESS was approved by the shareholders at Extraordinary General Meeting (EGM) held on 28 September 2022 came into effect on 4 October 2022.

The main features of the ESS are as follows:

a) The ESS is made available to eligible employees and full-time Executive Directors who are confirmed employees of the Company and its subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;

b) The total number of shares offered under the ESS shall not, in aggregate, exceed 15% of the issued ordinary shares of the Company (excluding treasury shares, if any) at any time during the existence of the ESS;

c) The option price under the ESS shall be the five-day weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than 10% if deemed appropriate;

17. SHARE CAPITAL (CONT'D)

Employees' Share Scheme ("ESS") (Cont'd)

d) The maximum number of shares, which may be offered to any eligible employee shall be at the discretion of the ESS Committee after taking into consideration, amongst others, the eligible employee's position, performance and length of service in the Company and its subsidiaries respectively, or such other matters that the ESS Committee may in its discretion deem fit, subject to the following:

- not more than 80% of the shares available under the ESS shall be allocated in aggregate to Executive Directors and senior management of the Company and its subsidiaries; and
- not more than 10% of the shares available under the ESS shall be allocated to any individual Executive Director or eligible employee who, either singly or collectively through persons connected with that Executive Director or eligible employee, holds 20% or more of the issued ordinary shares of the Company (excluding treasury shares, if any).

e) The shares shall on issue and allotment rank pari passu in all respects with the then existing issued shares of the Company.

The fair value of services received in return for share options granted was based on the fair value of share options granted, measured using Black-Scholes Model, with the following inputs:

Fair value of options and assumptions:

Fair value per option at grant date	RM0.11
The current price of the underlying asset	RM0.29
The expected volatility of share price	43.1%
The life of the option	3 years
The dividend expected on the shares	0.80%
The risk-free interest rate for the life span of the option	3.85%

18. RESERVES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Non-distributable				
Revaluation reserve	238,133,133	118,720,470	84,393,264	42,676,049
Foreign currency translation reserve	283,226	(152,966)	–	–
Share option reserve	5,086,700	5,252,987	5,086,700	5,252,987
Distributable				
Retained profits	405,375,005	339,560,738	207,865,470	178,583,146
	648,878,064	463,381,229	297,345,434	226,512,182

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. RESERVES (CONT'D)

(a) Revaluation reserve

The revaluation reserve represents the surplus arising from the revaluation of the freehold land, leasehold land and buildings, net of deferred tax effect.

(b) Foreign currency translation reserve

Foreign currency reserve comprises exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency, and exchange differences arising from monetary items which form part of the Group's net investment in a foreign operation, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Share options reserve

The share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share options. When options are exercised, the amount from the share options reserve is transferred to share capital. When the share options expire, the amount from the share options reserve is to be transferred to retained profits.

19. BORROWINGS

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Current					
Secured					
Bank overdrafts		3,199,651	3,069,860	–	–
Bills payable		20,838,000	14,651,100	–	–
Lease liabilities	19.1	16,984,310	16,464,217	7,819,360	7,474,258
Term loans	19.2	9,427,602	9,439,175	3,780,300	4,198,154
		50,449,563	43,624,352	11,599,660	11,672,412
Unsecured					
Bank overdrafts		2,298,481	2,227,287	2,205,863	2,227,287
Bills payable		58,184,000	62,887,000	58,184,000	62,887,000
		60,482,481	65,114,287	60,389,863	65,114,287
		110,932,044	108,738,639	71,989,523	76,786,699

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. BORROWINGS (CONT'D)

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
Non-current					
Secured					
Lease liabilities	19.1	32,024,945	34,576,184	18,660,300	19,529,856
Term loans	19.2	50,306,460	59,827,937	18,919,034	22,839,704
		82,331,405	94,404,121	37,579,334	42,369,560
Total borrowings					
Bank overdrafts		5,498,132	5,297,147	2,205,863	2,227,287
Bills payable		79,022,000	77,538,100	58,184,000	62,887,000
Lease liabilities	19.1	49,009,255	51,040,401	26,479,660	27,004,114
Term loans	19.2	59,734,062	69,267,112	22,699,334	27,037,858
		193,263,449	203,142,760	109,568,857	119,156,259

19.1 Lease liabilities

	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
At 1 April	51,040,401	41,160,723	27,004,114	15,337,771
Additions	16,325,955	27,343,500	8,139,445	18,841,195
Interest expense charge during the year	3,205,403	2,970,242	1,624,926	1,218,449
Repayment	(21,562,504)	(20,458,539)	(10,288,825)	(8,393,301)
Remeasurement	–	24,475	–	–
At 31 March	49,009,255	51,040,401	26,479,660	27,004,114

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. BORROWINGS (CONT'D)

19.1 Lease liabilities (Cont'd)

The following are the amount recognised in profit or loss :

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Interest expense on lease liabilities	3,205,403	2,970,242	1,624,926	1,218,449
Expenses relating to short term lease	14,398,628	10,537,261	58,080	90,920
Expenses relating to low value lease	9,832,527	11,675,987	6,774,757	5,985,802

19.2 Term loans

The term loans repayment due is as follows:-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Within one year	9,427,602	9,439,175	3,780,300	4,198,154
Between one to two years	9,688,834	9,133,940	4,185,300	3,780,300
Between two to five years	24,642,776	27,223,710	12,385,986	12,780,056
After five years	15,974,847	23,470,287	2,347,748	6,279,348
	59,734,062	69,267,112	22,699,334	27,037,858

Securities

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

(i) Debenture over the current and future asset of the Group;
(ii) Legal charge over certain freehold land, leasehold land and buildings as disclosed in Note 5;
(iii) Legal charge over the investment properties as disclosed in Note 6;
(iv) Deposits with a licensed bank as disclosed in Note 14;
(v) Amount due from subsidiaries as disclosed in Note 7; and
(vi) Corporate guarantee by the Company.

Weighted average effective interest

The weighted average effective interest rates per annum at the end of the reporting date for the borrowings were as follows :

	Group		Company	
	2026 %	2025 %	2026 %	2025 %
Bank overdrafts	7.63	7.81	7.72	7.97
Bills payable	4.09	4.37	4.03	4.31
Lease liabilities	5.68	5.67	5.62	5.31
Term loans	5.59	5.81	5.45	5.67

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. BORROWINGS (CONT'D)

Cash flows reconciliation

Reconciliation of movements of liabilities to cash flows of the Group and of the Company arising from financing activities:

	Bills payable RM	Lease liabilities RM	Term loans RM
Group			
At 1 April 2024	139,300,000	41,160,723	43,877,949
Addition	12,143,000	27,343,500	38,000,000
Repayment	(73,904,900)	(17,488,297)	(12,610,837)
Remeasurement/Derecognised	–	24,475	–
At 31 March 2025	77,538,100	51,040,401	69,267,112
Addition	6,914,000	16,325,955	–
Repayment	(5,430,100)	(18,357,101)	(9,533,050)
At 31 March 2026	79,022,000	49,009,255	59,734,062
Company			
At 1 April 2024	99,068,000	15,337,771	22,664,800
Addition	–	18,841,195	12,800,000
Repayment	(36,181,000)	(7,174,852)	(8,426,942)
At 31 March 2025	62,887,000	27,004,114	27,037,858
Addition	–	8,139,445	–
Repayment	(4,703,000)	(8,663,899)	(4,338,524)
At 31 March 2026	58,184,000	26,479,660	22,699,334

20. DEFERRED TAX LIABILITIES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At 1 April	83,237,576	85,991,952	34,938,180	37,858,208
Recognised in profit or loss	(7,720,682)	(2,754,376)	(6,263,891)	(2,920,028)
Recognised in equity	35,594,441	–	12,094,968	–
At 31 March	111,111,335	83,237,576	40,769,257	34,938,180

20. DEFERRED TAX LIABILITIES (CONT'D)

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Accelerated capital allowances	46,182,395	52,073,476	17,425,788	22,354,769
Revaluation reserve	61,546,937	26,819,814	20,143,161	8,309,988
Biological assets	8,618,578	10,505,167	5,983,322	6,771,732
Unutilised tax losses and unabsorbed capital allowance	(2,282,471)	(2,996,146)	–	–
Others	(2,954,104)	(3,164,735)	(2,783,014)	(2,498,309)
	111,111,335	83,237,576	40,769,257	34,938,180

Deferred tax assets that have not been recognised in respect of the following items due to uncertainty of probable future taxable profit will be available against which can utilise the benefits:-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other temporary differences	16,336,700	16,852,750	–	–
Unutilised tax losses				
- Expired by YA 2028	2,637,304	2,637,304	–	–
- Expired by YA 2029	4,233,209	4,233,209	–	–
- Expired by YA 2030	7,302,004	7,302,004	–	–
- Expired by YA 2031	3,599,337	3,599,337	–	–
- Expired by YA 2032	2,238,773	2,238,733	–	–
- Expired by YA 2033	4,731,833	4,731,873	–	–
	24,742,460	24,742,460	–	–
	41,079,160	41,595,210	–	–

Following the Budget 2022 announced by the Ministry of Finance on 29 October 2021, the unabsorbed tax losses are available for offset against future taxable profit of the Group for a maximum period of ten consecutive years of assessment under the current tax legislation.

21. TRADE PAYABLES

The credit terms of trade payables range from 30 to 90 days.

The foreign exposure profile of trade payables other than functional currency is as follows:-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
USD	1,551,661	185,732	162,437	185,732
EURO	47,730	–	–	–
CNY	5,056	85,093	–	85,093

22. OTHER PAYABLES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other payables	20,514,808	16,249,481	11,816,064	5,726,356
Accruals	57,302,230	56,035,712	31,304,383	35,432,474
Deposit received	373,601	401,354	24,845	24,845
	78,190,639	72,686,547	43,145,292	41,183,675

23. REVENUE

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Revenue represents:				
Sale of goods	1,124,765,498	1,073,710,287	490,335,999	488,250,641
Timing of revenue recognition:				
At a point in time	1,124,765,498	1,073,710,287	490,335,999	488,250,641

24. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Staff costs				
Salaries, wages and bonus	109,120,064	97,761,296	28,861,495	26,144,696
Defined contribution plans	8,032,397	6,923,518	1,325,914	1,193,279
Other benefits	11,947,010	11,582,560	1,010,046	792,830
Directors' emoluments	15,488,408	10,851,218	15,488,409	10,851,218
	144,587,879	127,118,592	46,685,864	38,982,023

The details of directors' emoluments are as follows:-

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fees	339,667	329,667	339,667	329,667
Salaries and bonus	13,493,625	8,931,826	13,493,625	8,931,826
Defined contribution plans	1,652,830	1,587,632	1,652,830	1,587,632
Other benefits	2,286	2,093	2,286	2,093
	15,488,408	10,851,218	15,488,408	10,851,218

The estimated monetary value of benefits-in-kind received or receivable by the directors of the Group and of the Company was RM39,450 (2025: RM39,450).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. TAXATION

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Based on the results for the year:				
Current tax				
Malaysian Income Tax	21,864,437	25,097,319	9,203,282	15,643,584
Deferred taxation	(8,104,816)	(2,754,376)	(6,263,891)	(2,920,028)
	13,759,621	22,342,943	2,939,391	12,723,556
Under/(Over) estimated in prior year	2,320,154	425,407	(841,383)	(452,833)
Tax expense for the year	16,079,775	22,768,350	2,098,008	12,270,723

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Profit before taxation	80,082,840	109,657,615	33,583,718	72,899,094
Tax at Malaysia statutory tax rate of 24% (2025: 24%)	19,219,882	26,317,828	8,060,092	17,495,783
Income not subject to tax	(348,163)	(2,490,360)	(3,656,223)	(6,396,282)
Expenses not deductible for tax purposes	4,227,679	2,646,619	2,781,940	1,150,280
Over estimated of deferred tax in prior years	(7,729,971)	(1,676,120)	(4,246,418)	473,775
Further deduction for employment of senior citizen	(7,114)	(5,410)	–	–
Utilisation of unabsorbed tax losses and capital allowances from prior years	(1,602,692)	(2,449,614)	–	–
	13,759,621	22,342,943	2,939,391	12,723,556
Under/(Over) estimated in prior year	2,320,154	425,407	(841,383)	(452,833)
Tax expense for the year	16,079,775	22,768,350	2,098,008	12,270,723

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share :-

The basic earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the year attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2026 RM	2025 RM
Profit for the year attributable to owners of the Company	64,508,930	86,829,883
Weighted average number of ordinary shares in issue	758,382,714	755,202,327
Basic earnings per share (sen)	8.51	11.50

(b) Diluted

The diluted earnings per ordinary share has been calculated based on the consolidated profit attributable to owners of the Company divided by the average number of ordinary shares in issue adjusted to assume conversion of all dilutive potential ordinary shares.

	Group	
	2026 RM	2025 RM
Adjustment weighted average number of ordinary shares applicable to diluted earnings per share	804,625,444	802,956,757
Diluted earnings per share (sen)	8.02	10.81

27. DIVIDENDS

	Group and Company	
	2026 RM	2025 RM
Single tier final dividend of 0.4 sen (2024: 0.5 sen) per ordinary share	3,032,403	3,783,717
Single tier interim dividend of Nil (2024: 0.3 sen) per ordinary share	–	2,258,543
	3,032,403	6,042,260

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. RELATED PARTY DISCLOSURES

Significant Related Party Transactions

	Company	
	2026 RM	**2025 RM**
(a) Transactions with Subsidiaries		
Sales	218,968,788	230,963,338
Purchases	(30,980,155)	(35,629,188)
Management fees	1,266,000	1,266,000
Rental income	30,000	30,000
Interest income	1,311,541	1,380,950
Dividend income	15,000,000	15,000,000
Marketing expense	(363,495)	(2,628,630)
Waste management disposal	(3,120,000)	(3,120,000)

Compensation of the key management personnel

Key management personnel are defined as a person having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group.

The compensation of other members of key management personnel during the financial year besides the Directors are as follows:-:

	Group		Company	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Salaries and bonuses	2,817,372	2,030,390	415,713	560,492
Defined contribution	429,089	243,572	39,502	52,863
Other benefits	–	6,036	–	2,210
	3,246,461	2,279,998	455,215	615,565

29. SEGMENTAL REPORTING

The Group has reportable segments that are based on information reported internally to the Group Managing Director. The reportable segments are summarised as follows :-

(i) Integrated livestock farming

(ii) Food manufacturing

(ii) Retail business

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and income taxes.

29. SEGMENTAL REPORTING (CONT'D)

The inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

2026	livestock farming RM	Integrated Food manufacturing RM	Retail business RM	Elimination RM	Consolidation RM
External customers	409,066,139	464,748,812	250,950,547	–	1,124,765,498
Inter-segment	419,772,938	166,263,887	–	(586,036,825)	–
Total revenue	828,839,077	631,012,699	250,950,547	(586,036,825)	1,124,765,498
Results					
Segment results	54,201,236	34,221,773	2,321,837	(95,125)	90,649,721
Finance costs	(7,852,762)	(2,553,478)	(1,472,218)	1,311,541	(10,566,917)
Profit before taxation	46,348,474	31,668,295	849,619	(1,216,416)	80,082,804
Taxation	(13,999,181)	(1,511,081)	(569,513)	–	(16,079,775)
Profit for the year	32,349,293	30,157,214	280,106	(1,216,416)	64,003,029
Other information					
Segment assets	961,008,391	298,417,314	48,776,158	4,890,521	1,313,092,384
Segment liabilities	300,990,213	134,329,231	37,307,491	(458,568)	472,168,367
Capital expenditure	79,935,435	20,491,161	5,542,757	–	105,969,353
Depreciation and amortisation	39,192,542	7,554,213	6,291,533	–	53,038,288
Interest expense	(7,852,762)	(2,553,478)	(1,472,218)	1,311,541	(10,566,917)
Interest income	2,071,729	–	–	–	2,071,729
Other non-cash item					
Non-cash items other than depreciation and amortisation					13,689,261

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENTAL REPORTING (CONT'D)

2025	livestock farming RM	Integrated Food manufacturing RM	Retail business RM	Elimination RM	Consolidation RM
Revenue					
External customers	413,797,856	426,083,931	233,828,500	–	1,073,710,287
Inter-segment	411,013,609	177,052,543	–	(588,066,152)	–
Total revenue	824,811,465	603,136,474	233,828,500	(588,066,152)	1,073,710,287
Results					
Segment results	86,796,434	36,538,940	593,279	(2,347,358)	121,581,295
Finance costs	(9,448,946)	(2,663,304)	(1,192,380)	1,380,950	(11,923,680)
Profit before taxation	77,347,488	33,875,636	(599,101)	(966,408)	109,657,615
Taxation	(17,148,570)	(5,359,024)	(260,756)	–	(22,768,350)
Profit/(Loss) for the year	60,198,918	28,516,612	(859,857)	(966,408)	86,889,265
Other information					
Segment assets	819,201,583	241,204,112	45,629,271	(6,799,172)	1,099,235,794
Segment liabilities	289,987,943	117,620,474	35,426,040	842,700	443,877,157
Capital expenditure	43,964,433	14,675,745	8,720,582	–	67,360,760
Depreciation and amortisation	29,534,285	15,304,060	6,864,917	–	51,703,262
Interest expense	9,448,946	2,663,304	1,192,380	(1,380,950)	11,923,680
Interest income	(2,279,867)	(707,524)	(64,056)	1,380,950	(1,670,497)
Other non-cash item					
Non-cash items other than depreciation and amortisation					149,570

30. FINANCIAL INSTRUMENTS

(a) Financial risk management policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's business whilst managing its risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

30. FINANCIAL INSTRUMENTS (CONT'D)

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

The main risks and corresponding management policies arising from the Group's and the Company's normal course of business are as follows :-

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

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

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fixed rate instruments				
Lease liabilities	49,009,255	51,040,401	26,479,660	27,004,114
Floating rate instruments				
Bank overdrafts	5,489,132	5,297,147	2,205,863	2,227,287
Bills payable	79,022,000	77,538,100	58,184,000	62,887,000
Term loans	59,734,062	69,267,112	22,699,334	27,037,858
	144,245,194	152,102,359	83,089,197	92,152,145

<u>Sensitivity analysis</u>

Sensitivity analysis is not disclosed on fixed rate financial liabilities as fixed rate financial liabilities are not exposed to interest rate risk and are measured at amortised cost.

At the reporting date, if the interest rate of floating rate instruments had been 50 basis points lower/higher, with all other variables were held constant, the Group's and the Company's profit before tax would have been RM721,226 (2025 : RM760,512) and RM415,446 (2025: RM460,761) higher/lower. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk mostly on its sales, bank balances and purchases that are denominated in currencies other than the functional currency of the Group and of the Company. The currency giving rise to this risk is primarily in USD and SGD.

<u>Sensitivity analysis</u>

At the end of the reporting date, the management of the Group and of the Company determined that the effects of sensitivity of the Group's and of the Company's profit for the financial year to a reasonably possible change in other currencies exchange rates to be insignificant to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of reporting date based on undiscounted contractual payments.

Group	Carrying amount RM	Contractual undiscounted cash flows RM	Within one year RM	Between two to five years RM	After five years RM
2026					
Financial liabilities:					
Trade and other payables	165,366,822	165,366,822	165,366,822	–	–
Bank overdrafts	5,498,132	5,498,132	5,498,132	–	–
Bills payable	79,022,000	79,022,000	79,022,000	–	–
Lease liabilities	49,009,252	54,266,121	19,427,658	34,082,891	755,572
Term loans	59,734,062	71,415,280	12,210,194	41,267,255	17,937,831
	358,630,268	375,568,355	281,524,806	75,350,146	18,693,403
Financial guarantee contracts*	–	8,344,050	8,344,050	–	–
2025					
Financial liabilities:					
Trade and other payables	151,380,368	151,380,368	151,380,368	–	–
Bank overdrafts	5,297,147	5,297,147	5,297,147	–	–
Bills payable	77,538,100	77,538,100	77,538,100	–	–
Lease liabilities	51,040,401	57,144,925	19,211,426	37,308,152	625,347
Term loans	69,267,112	85,521,721	13,123,225	45,801,931	26,596,565
	354,523,128	376,882,261	266,550,266	83,110,083	27,221,912
Financial guarantee contracts*	–	8,300,954	8,300,954	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk

Company	Carrying amount RM	Contractual undiscounted cash flows RM	Within one year RM	Between two to five years RM	After five years RM
2026					
Financial liabilities:					
Trade and other payables	81,461,553	81,461,553	81,461,553	–	–
Amount due to subsidiaries	97,268,068	97,268,068	97,268,068	–	–
Bank overdrafts	2,205,863	2,205,863	2,205,863	–	–
Bills payable	58,184,000	58,184,000	58,184,000	–	–
Lease liabilities	26,479,660	29,611,762	9,202,080	19,921,484	488,198
Term loans	22,699,334	26,088,892	4,916,913	18,803,616	2,368,363
	288,298,478	294,820,138	253,238,477	38,725,100	2,856,561
Financial guarantee contracts*	–	155,900,616	155,900,616	–	–
2025					
Financial liabilities:					
Trade and other payables	75,855,376	75,855,376	75,855,376	–	–
Amount due to subsidiaries	60,372,749	60,372,749	60,372,749	–	–
Bank overdrafts	2,227,287	2,227,287	2,227,287	–	–
Bills payable	62,887,000	62,887,000	62,887,000	–	–
Lease liabilities	27,004,114	30,315,203	8,848,090	21,218,141	248,972
Term loans	27,037,858	32,001,492	5,602,866	19,904,248	6,494,378
	255,384,384	263,659,107	215,793,368	41,122,389	6,743,350
Financial guarantee contracts*	–	155,785,000	155,785,000	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

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

(iv) Credit Risk

Credit risk is the risk of a financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from their trade and other receivables and advances to subsidiaries.

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's and the Company's associations to business partners with high creditworthiness. The Group and Company also have an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via the Group and the Company management reporting procedures.

Concentration of credit risk

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and Company. The Group and Company use ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitor individually.

The Group and Company applied the simplified approach to measure the loss allowance at lifetime expected credit losses for all trade receivables. The Group and Company determine the Expected Credit Loss ("ECL") on these items by using a provision matrix, where applicable, estimated based on historical credit loss experience based on the past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The following ageing of trade receivables provides information about the exposure to credit risk and ECLs for trade receivables:

Group	Gross-carrying amount RM	Individual impairment RM	ECL RM	Net balance RM
2026				
Not past due	67,406,081	–	–	67,406,081
Up to 90 days past due	28,317,423	–	–	28,317,423
More than 91 days past due	824,658	(172,236)	(50,090)	602,332
	29,142,081	(172,236)	(50,090)	28,919,755
	96,548,162	(172,236)	(50,090)	96,325,836

30. FINANCIAL INSTRUMENTS (CONT'D)

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

(iv) Credit Risk (Cont'd)

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

Group	Gross-carrying amount RM	Individual impairment RM	ECL RM	Net balance RM
2025				
Not past due	63,836,792	–	–	63,836,792
Up to 90 days past due	22,843,452	–	–	22,843,452
More than 91 days past due	581,329	(72,990)	(247,931)	260,408
	23,424,781	(72,990)	(247,931)	23,103,860
	87,261,573	(72,990)	(247,931)	86,940,652

Company	Gross-carrying amount RM	Individual impairment RM	ECL RM	Net balance RM
2026				
Not past due	17,384,604	–	–	17,384,604
Up to 90 days past due	6,116,353	–	–	6,116,353
More than 91 days past due	93,470	–	(4,388)	89,082
	6,209,823	–	(4,388)	6,205,435
	23,594,427	–	(4,388)	23,590,039
2025				
Not past due	15,111,197	–	–	15,111,197
Up to 90 days past due	7,623,121	–	–	7,623,121
More than 91 days past due	893,030	–	(31,099)	861,931
	8,516,151	–	(31,099)	8,485,052
	23,627,348	–	(31,099)	23,596,249

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

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

(iv) Credit Risk (Cont'd)

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at 31 March 2026, the Group and the Company have significant concentration of credit risk in the form of outstanding balances of approximately RM31,697,750 and RM11,823,209 due from five major trade receivables (2025: RM26,125,359 and RM7,945,531) which represents 32% and 50% (2025: 30% and 34%) of the total trade receivables of the Group and Company respectively. However, the Directors are of the opinion that these amount outstanding is fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group and of the Company.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

In respect of other receivables, the Group and the Company is not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

The Company provides unsecured loans and advances to subsidiaries. As at the end of the reporting date, the maximum exposure to credit risk is represented by its carrying amounts in the statements of financial position.

Financial guarantee contracts

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

The maximum exposure to credit risk representing the maximum amount the Company could pay if the guarantee is called was RM153,354,000 (2025 : RM153,354,000) in respect of the corporate guarantees given to financial institutions for banking facilities granted to the subsidiaries.

The maximum exposure to credit risk of the Group and of the Company are RM8,344,050 (2025: RM8,300,954) and RM2,546,616 (2025 : RM2,431,000) respectively in respect of the corporate guarantees given to the service providers of the Group and of the Company as at the reporting date.

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

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

(b) Fair Values of Financial Instruments

The carrying amount of the financial assets and financial liabilities of the Group and of the Company as at the reporting date are approximate fair value due to the relative short term maturity.

The fair values of the Group's and of the Company's floating interest rates borrowings approximated their carrying amounts as they are repriced to market interest rate nearer to reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows :

(i) Financial assets at amortised cost (AC)

(ii) Financial assets at fair value through profit or loss (FVPL)

(iii) Financial liabilities at amortised cost (FL)

Group	Carrying amount RM	AC RM	FVPL RM	FL RM
2026				
Financial assets				
Other investments	5,774,050	–	5,774,050	–
Trade and other receivables	128,146,340	128,146,340	–	–
Deposits with a licensed bank	609,012	609,012	–	–
Short term investment	10,218,390	10,218,390	–	–
Cash and bank balances	80,788,161	80,788,161	–	–
	225,535,953	219,761,903	5,774,050	–
Financial liabilities				
Trade and other payables	165,366,822	–	–	165,366,822
Borrowings	193,263,449	–	–	193,263,449
	358,630,271	–	–	358,630,271
2025				
Financial assets				
Other investments	4,817,896	–	4,817,896	–
Trade and other receivables	119,964,095	119,964,095	–	–
Deposits with a licensed bank	10,594,745	10,594,745	–	–
Short term investment	10,141,404	10,141,404	–	–
Cash and bank balances	54,927,607	54,927,607	–	–
	200,445,747	195,627,851	4,817,896	–
Financial liabilities				
Trade and other payables	151,380,368	–	–	151,380,368
Borrowings	203,142,760	–	–	203,142,760
	354,523,128	–	–	354,523,128

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments (Cont'd)

Company	Carrying amount RM	AC RM	FVPL RM	FL RM
2026				
Financial assets				
Other investments	5,695,504	–	5,695,504	–
Trade and other receivables	45,574,521	45,574,521	–	–
Amount due from subsidiaries	144,451,114	144,451,114	–	–
Short term investment	10,218,390	10,218,390	–	–
Cash and bank balances	62,364,380	62,364,380	–	–
	268,303,909	262,608,405	5,695,504	–
Financial liabilities				
Trade and other payables	81,461,553	–	–	81,461,553
Amount due to subsidiaries	97,268,068	–	–	97,268,068
Borrowings	109,568,857	–	–	109,568,857
	288,298,478	–	–	288,298,478
2025				
Financial assets				
Other investments	4,739,902	–	4,739,902	–
Trade and other receivables	45,166,346	45,166,346	–	–
Amount due from subsidiaries	176,231,217	176,231,217	–	–
Deposits with licensed banks	10,000,000	10,000,000	–	–
Short term investment	10,141,404	10,141,404	–	–
Cash and bank balances	31,837,001	31,837,001	–	–
	278,115,870	273,375,968	4,739,902	–
Financial liabilities				
Trade and other payables	75,855,376	–	–	75,855,376
Amount due to subsidiaries	60,372,749	–	–	60,372,749
Borrowings	119,156,259	–	–	119,156,259
	255,384,384	–	–	255,384,384

31. CAPITAL COMMITMENT

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Capital expenditure for property, plant and equipment:				
Approved and contracted for	23,293,400	27,744,000	15,082,000	7,947,000

32. CAPITAL MANAGEMENT

The Group and Company's primary objective in managing their capital is to maximise the value by optimising its capital structure and enhancing capital efficiency while maintaining a sufficient level of liquidity. The Group and Company targets a capital structure of an optimal mix of debt and equity to achieve an efficient cost of capital vis-à-vis maintaining financial flexibility for their business requirement and investing for future growth. The Group and Company regularly reviews and manage its capital structure in accordance with the changes in economic conditions and its future business plan.

The Group and Company manage their capital based on debt-to-equity ratio, which is total debt divided by total equity attributable to equity holders of the Group and Company. The debt-to-equity ratio at the end of the reporting period were as follows :

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Total borrowings (Note 19)	193,263,449	203,142,760	109,568,857	119,156,259
Deposit with licensed banks	(609,012)	(10,594,745)	–	(10,000,000)
Short term investment	(10,218,390)	(10,141,404)	(10,218,390)	(10,141,404)
Less : Cash and bank balances	(80,788,161)	(54,927,607)	(62,364,380)	(31,837,001)
	101,647,886	127,479,004	36,986,087	67,177,854
Total equity	829,789,927	643,718,646	478,257,297	406,849,599
Debt-to-equity ratio	**0.12**	**0.20**	**0.08**	**0.17**

There has been no change in the above capital management objectives, policies and processes compared to the previous year.

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

We, DATO' YAP HOONG CHAI and DATO' YAP CHOR HOW, being two of the directors of LAY HONG BERHAD, do hereby state on behalf of the directors that, in our opinion the financial statements set out on pages 100 to 173 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 MARCH 2026 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

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

____
DATO' YAP HOONG CHAI

____
DATO' YAP CHOR HOW

Klang, Selangor
Dated : 29 June 2026

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

I, NG KIM TIAN, being the director primarily responsible for the financial management of LAY HONG BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 100 to 173 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared at Petaling Jaya in the state of Selangor
on 29 June 2026

Before me,

____
NG KIM TIAN
(Director)

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2026

Issued & Fully Paid-up Capital	:	759,473,170 ordinary shares (including 1,420,000 treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	(%)
1.	INNOFARM SDN. BHD.	117,600,000	15.48
2.	YAP HOONG CHAI	47,512,000	6.26
3.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD.*	27,200,000	3.58
4.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. *- CIMB FOR INNOFARM SDN. BHD. (PB)*	25,606,000	3.37
5.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR CHENG YING YING (CHE3060M)*	22,939,390	3.02
6.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD. (MY3045)*	19,000,000	2.50
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)*	10,166,700	1.34
8.	YAYASAN GURU TUN HUSSEIN ONN	10,000,000	1.32
9.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR YAP HOONG CHAI (YAP2110M)*	9,384,700	1.24
10.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI*	8,084,800	1.06
11.	YEAP WENG HONG	6,812,000	0.90
12.	LAW KING YONG	6,770,000	0.89
13.	LAW KING YONG	6,000,000	0.79
14.	YIP KIM HOONG	5,702,370	0.75
15.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR TAY LEK HENG (E-JAH)*	5,500,000	0.72
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR LING HEE KEAT*	5,150,000	0.68
17.	YAP CHOR HOW	5,140,000	0.68
18.	CARTABAN NOMINEES (ASING) SDN. BHD. *- THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND*	4,671,600	0.62
19.	NG CHEW KEE	4,412,300	0.58
20.	YEAP FOCK HOONG	4,340,000	0.57

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	(%)
21.	UNG YOKE HONG	4,307,700	0.57
22.	CHNG KIM CHYE	4,152,600	0.55
23.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. *- PLEDGED SECURITIES ACCOUNT FOR TEE CHEE CHIANG (8073610)*	3,799,900	0.50
24.	IFAST NOMINEES (TEMPATAN) SDN. BHD. *- EXEMPT AN FOR WEBULL SECURITIES SDN. BHD.*	3,526,900	0.46
25.	VICTOR LIM FUNG TUANG	3,390,000	0.45
26.	TEO KWEE HOCK	3,280,700	0.43
27.	TARGETLINK SDN. BHD.	3,026,800	0.40
28.	WONG HOK YIM	3,000,000	0.40
29.	YANG YANG POULTRY FARMING SDN. BHD.	2,900,000	0.38
30.	LIM YOKE SIM	2,879,100	0.38
	TOTAL	**386,255,560**	**50.87**

SHAREHOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	%
1 - 99	157	3,532	*0.00
100 - 1,000	923	493,557	0.06
1,001 - 10,000	2,881	17,722,791	2.33
10,001 - 100,000	3,053	109,679,930	14.44
100,001 to less than 5% of the issued shares	631	466,461,360	61.42
5% and above of the issued shares	2	165,112,000	21.74
TOTAL	**7,647**	**759,473,170**	**100.00**

Remark: * Less than 0.01%

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

		NO. OF SHARES HELD			
	NAME OF SUBSTANTIAL SHAREHOLDERS	DIRECT	%	INDIRECT	%
1.	Innofarm Sdn. Bhd.	191,795,800	25.30	–	–
2.	Dato' Yap Hoong Chai	56,896,700	7.51	191,795,800*	25.30

Remark: * Deemed interested by virtue of his interest in Innofarm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

		NO. OF SHARES HELD			
	NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
1.	Dato' Yap Hoong Chai	56,896,700	7.51	226,510,660*	29.88
2.	Dato' Yap Chor How	5,523,700	0.73	–	–
3.	Dato' Yeap Weng Hong	6,812,000	0.90	–	–
4.	Ng Kim Tian	–	–	–	–
5.	Yeap Fock Hoong	4,610,000	0.61	–	–
6.	Tan Chee Hau	–	–	–	–
7.	Wong Soo Thiam	–	–	–	–
8.	Tham Wei Mei	–	–	–	–

Remark: * Deemed interested in 34,714,860 shares held by his direct family members and 191,795,800 shares by virtue of Innofarm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

LIST OF TOP 10 PROPERTIES
AS AT 31ST MARCH 2026

Location	Description & Existing Use	Aproximate Area (Acres)	Tenure & Expiry Date	Age of building (Years)	NBV (RM'000)	Date of acquisition /Revaluation
Lot Nos. 1717/8/9 & 1720 Mukim of Ayer Panas Jasin, Melaka	Layer Farm & Fertiliser Plant & Building	40.4	Freehold	6-23	27,000	31/3/2026
GM1706, Lot No. 1822 Mukim of Jeram Kuala Selangor	Layer Farm	5.0	Freehold	6-9	22,049	31/3/2026
NT. No. 043081625, Tamparuli, Sabah	Layer Farm	9.1	Leasehold 'Feb 2037	14	18,880	31/3/2026
Lot No. 4857 Mukim of Jeram Kuala Selangor	Layer Farm & Feedmill	25.0	Freehold	7-22	18,780	31/3/2026
Lot Nos. 739/40 & 741 Mukim Api-Api Kuala Selangor	Breeder Farm	15.0	Freehold	8-41	17,940	31/3/2026
Lot Nos.16456/7&16486 Mukim Tanjong Karang Kuala Selangor	Processing Plant	3.0	Leasehold 'Nov 2080 (16456/7), July 2080 (16486)	6-42	17,540	31/3/2026
GM1134, Lot No. 2809 Mukim of Jeram Kuala Selangor	Layer Farm	5.0	Freehold	6-10	16,908	31/3/2026
Lot Nos. 1475/6 Lot Nos. 253 & 244 Mukim Pasangan Kuala Selangor	Breeder Farm & Hatchery	18.5	Freehold	10-28	15,360	31/3/2026
No. 2, Level 10-12, Wisma Lay Hong, Jalan Empayar Off Persiaran Sultan Ibrahim/KU1, 41150 Klang	Corporate Office	31,212 sq ft	Freehold	17	15,290	31/3/2026
Lot No. 681 Mukim Ujong Permatang Kuala Selangor	Broiler farm	5.0	Freehold	2-28	14,640	31/3/2026

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Second ("**42nd**") Annual General Meeting ("**AGM**") of **LAY HONG BERHAD** (the "**Company**") will be held at Ballroom 1, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on **Friday, 25 September 2026** at **10.30 a.m.** or at any adjournment thereof to consider and if thought fit, to pass the following resolutions with or without modifications:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and Auditors thereon. **(See Explanatory Note 10)**

2. To approve the payment of a Final Single Tier Dividend of 0.4 sen per ordinary share for the financial year ended 31 March 2026. **Ordinary Resolution 1** **(See Explanatory Note 11)**

3. To approve the payment of Directors' Fees of RM350,000.00 for the financial year ended 31 March 2026. **Ordinary Resolution 2**

4. To re-elect the following Directors who are retiring under Clause 134 of the Constitution of the Company:

   i. Dato' Yap Hoong Chai **Ordinary Resolution 3**
   ii. Mr. Yeap Fock Hoong **Ordinary Resolution 4**
   iii Mr. Tan Chee Hau **Ordinary Resolution 5**
   (See Explanatory Note 12)

5. To re-appoint Tai, Yapp & Co. PLT as Auditors for the financial year ending 31 March 2027 and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

SPECIAL BUSINESS

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

6. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") ("Proposed General Mandate")** **Ordinary Resolution 7** **(See Explanatory Note 13)**

   "**THAT** subject always to Sections 75 and 76 of the CA 2016, the Constitution, the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 43rd AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

   THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 65 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

   AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

7. **Proposed Renewal of Share Buy-Back Authority for Purchase of its own Ordinary Shares ("Proposed Renewal of Share Buy-Back")** **Ordinary Resolution 8 (See Explanatory Note 14)**

"**THAT** subject to Section 127 of the CA 2016, the Constitution of the Company, the MMLR of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:

(i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:

(i) cancel all the shares so purchased; and/or

(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or

(iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the CA 2016, rules, regulations and orders made pursuant to the CA 2016 and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;

AND FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

8. To transact any other business for which due notice shall have been given in accordance with the Constitution of the Company and/or the CA 2016.

BY ORDER OF THE BOARD

WONG YUET CHYN (MAICSA 7047163)
(SSM PC NO. 202008002451)
Company Secretary

Selangor Darul Ehsan
Date: 31 July 2026

Notes:-

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or fax to 03-3008 1124 or email to secretary@prosec.com.my not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 September 2026, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting for the meeting.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Explanatory Notes on Ordinary Business

10. Audited Financial Statements for financial year ended 31 March 2026

The audited financial statements are laid in accordance with Section 340(1) (a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

11. Notice of Dividend Entitlement and Payment

Notice is also hereby given that subject to the approval of the shareholders at the forthcoming 42nd AGM, a Final Single Tier Dividend of 0.4 sen per share will be paid on 13 November 2026 to the shareholders whose names appear in the Record of Depositors at the close of business on 15 October 2026.

A depositor shall qualify for entitlement only in respect of: -

a) shares transferred to the Depositors' Securities Account before 4.30 p.m. on 15 October 2026 in respect of ordinary transfers; and

b) shares bought on Bursa Securities on a cum entitlement basis according to the Paragraphs of Bursa Securities.

12. Re-election of Directors

Re-election of Directors Dato' Yap Hoong Chai, Mr. Yeap Fock Hoong ("**Mr. Yeap**") and Mr. Tan Chee Hau ("**Mr. Tan**") being eligible, have offered themselves for re-election at this AGM pursuant to the Constitution of the Company.

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

The Board (with exception of the retiring Director who abstained) was further satisfied that Mr. Tan has complied with the criteria of independence based on the MMLR and remain his independent in exercising their judgement and carry out his role as Independent Director.

Explanatory Notes on Special Business

13. Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the CA 2016

The proposed Ordinary Resolution 7 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company.

The Proposed General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the CA 2016 and Clause 65 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the last AGM held on 25 September 2025 and this authority will lapse as the conclusion of the 42nd AGM of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Proposed General Mandate is in the best interests of the Company and its shareholders.

Explanatory Notes on Special Business (Cont'd)

14. Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the MMLR of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company. Further details are set out in the circular to Shareholders dated 31 July 2026 circulated together with this Annual Report.

15. Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents) processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

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LAY HONG BERHAD

Registration No. 198301011738 (107129-H)
(Incorporated in Malaysia)

FORM OF PROXY

CDS ACCOUNT NO.	- -
NO. OF SHARES HELD	

I/We ....
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No. ....)

of ....
(FULL ADDRESS)

Email Address .... Contact No. ....

being a member/members of **LAY HONG BERHAD**, hereby appoint

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address		**Contact No.**

and/or failing him/her

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address		**Contact No.**

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 42nd Annual General Meeting of the Company will be held at Ballroom 1, Level 1, Wyndham Acmar Klang Hotel, No. 1-G-1, Persiaran Bukit Raja 2/KU1, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on **Friday, 25 September 2026** at **10.30 a.m.** or at any adjournment thereof.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	Payment of Final Single Tier Dividend		
2.	Payment of Directors' Fees for the financial year ended 31 March 2026		
3.	Re-election of Dato' Yap Hoong Chai		
4.	Re-election of Mr. Yeap Fock Hoong		
5.	Re-election of Mr. Tan Chee Hau		
6.	Re-appointment of Auditors		
7.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8.	Proposed Renewal of Share Buy-Back Authority for Purchase of its own Ordinary Shares		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Dated this .... day of .... 2026.

....
Signature(s) of member(s)

Notes: -

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or fax to 03-3008 1124 or email to secretary@prosec.com.my not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 September 2026, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration and voting for the meeting.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 July 2026.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

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LAY HONG BERHAD

(198301011738 (107129-H)) Incorporated in Malaysia

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

Tel: 03 3008 1123 Fax: 03 3008 1124

www.layhong.com.my