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**13. ACCOUNTANTS' REPORT**

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**Hock Soon Capital Berhad**  
(Registration No: 202401049938 (1595782-M))  
(Incorporated in Malaysia)

**and its subsidiaries**

**Accountants' Report on the  
Consolidated Financial Statements**

**13. ACCOUNTANTS' REPORT (Cont'd)**

1

**Hock Soon Capital Berhad**

(Registration No: 202401049938 (1595782-M))

(Incorporated in Malaysia)

**and its subsidiaries****Introduction**

Hock Soon Capital Berhad ("the Company") was incorporated on 26 November 2024 for the purpose of a corporate exercise, as part of the listing scheme in relation to the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Listing"), that will result in the Company becoming the holding company of Hock Soon Poultry Farm Sdn. Bhd. ("HSPF") and its subsidiary. The corporate exercise will be accounted for using book value accounting in the consolidated financial statements of the Company for the year ended 30 September 2025. For the purpose of this financial statements, as the Company was incorporated subsequent to the latest reporting period presented, the financial information contained in this set of financial statements and the auditors' report thereon, relate solely to HSPF and its subsidiary (collectively referred to as "HSPF Group").

The financial statements of HSPF Group have been prepared in connection with the Proposed Listing and for no other purpose.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

2

**Hock Soon Capital Berhad**

(Registration No: 202401049938 (1595782-M))

(Incorporated in Malaysia)

**and its subsidiaries****Consolidated statement of financial position**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Assets</b>				
Property, plant and equipment	3	36,058,698	34,529,485	28,452,840
Right-of-use assets	4	378,518	538,229	680,312
Investment properties	5	5,017,383	5,354,646	5,433,989
Other investments	7	4,154,161	9,653,006	8,616,211
<b>Total non-current assets</b>		<b>45,608,760</b>	<b>50,075,366</b>	<b>43,183,352</b>
Biological assets	8	49,094,481	42,277,338	23,492,784
Inventories	9	5,515,296	5,168,829	8,736,896
Current tax assets		63,302	-	983,646
Trade and other receivables	10	5,705,595	6,233,492	5,951,201
Prepayments and other assets		1,502,020	1,866,624	348,768
Other investments	7	45,856,139	75,292,797	55,736,836
Cash and cash equivalents	11	18,771,092	6,006,927	6,869,220
		126,507,925	136,846,007	102,119,351
Asset classified as held for sale	12	257,920	-	-
<b>Total current assets</b>		<b>126,765,845</b>	<b>136,846,007</b>	<b>102,119,351</b>
<b>Total assets</b>		<b>172,374,605</b>	<b>186,921,373</b>	<b>145,302,703</b>
<b>Equity</b>				
Share capital	13	9,261,000	9,261,000	9,261,000
Reserves		136,330,019	158,259,880	124,944,052
<b>Equity attributable to owners of HSPF</b>		<b>145,591,019</b>	<b>167,520,880</b>	<b>134,205,052</b>
<b>Non-controlling interest</b>		<b>30,000</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>145,621,019</b>	<b>167,520,880</b>	<b>134,205,052</b>
<b>Liabilities</b>				
Loans and borrowings	16	4,654,867	-	-
Lease liabilities		9,067	8,814	284,503
Deferred tax liabilities	14	11,332,093	9,539,399	4,931,397
<b>Total non-current liabilities</b>		<b>15,996,027</b>	<b>9,548,213</b>	<b>5,215,900</b>
Trade and other payables	15	7,926,729	6,339,751	5,876,039
Loans and borrowings	16	618,671	-	-
Lease liabilities		5,316	14,383	5,712
Current tax liabilities		2,206,843	3,498,146	-
<b>Total current liabilities</b>		<b>10,757,559</b>	<b>9,852,280</b>	<b>5,881,751</b>
<b>Total liabilities</b>		<b>26,753,586</b>	<b>19,400,493</b>	<b>11,097,651</b>
<b>Total equity and liabilities</b>		<b>172,374,605</b>	<b>186,921,373</b>	<b>145,302,703</b>

The notes on pages 9 to 44 form an integral part of these consolidated financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)**

3

**Hock Soon Capital Berhad**

(Registration No: (202404049938 (1595782-M))

(Incorporated in Malaysia)

**and its subsidiaries****Consolidated statement of profit or loss and other comprehensive income**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Revenue	17	151,377,197	146,250,802	134,178,054
Cost of sales		(92,549,024)	(105,124,615)	(110,805,416)
<b>Gross profit</b>		<b>58,828,173</b>	<b>41,126,187</b>	<b>23,372,638</b>
Other income		8,433,544	18,494,206	4,006,712
Administrative expenses		(13,723,002)	(13,568,553)	(7,449,449)
Distribution costs		(2,484,576)	(2,416,584)	(2,630,960)
<b>Results from operating activities</b>	18	<b>51,054,139</b>	<b>43,635,256</b>	<b>17,298,941</b>
Finance income	19	2,848,545	1,798,915	1,172,712
Finance cost	20	(18,669)	(13,045)	(44,741)
<b>Profit before tax</b>		<b>53,884,015</b>	<b>45,421,126</b>	<b>18,426,912</b>
Tax expense	21	(13,141,318)	(11,178,202)	(3,882,177)
<b>Profit for the year</b>		<b>40,742,697</b>	<b>34,242,924</b>	<b>14,544,735</b>
<b>Other comprehensive income, net of tax</b>				
<b>Item that will not be reclassified subsequently to profit or loss</b>				
Net change in fair value of equity investments designated at fair value through other comprehensive income	22	1,077,442	72,904	(104,751)
<b>Other comprehensive income / (expense) for the year, net of tax</b>		<b>1,077,442</b>	<b>72,904</b>	<b>(104,751)</b>
<b>Total comprehensive income for the year</b>		<b>41,820,139</b>	<b>34,315,828</b>	<b>14,439,984</b>
<b>Profit and total comprehensive income attributable to:</b>				
Owners of HSPF		41,820,139	34,315,828	14,439,984
Non-controlling interest		-	-	-
		<b>41,820,139</b>	<b>34,315,828</b>	<b>14,439,984</b>
<b>Earnings per ordinary share (RM):</b>				
Basic/Diluted	23	<b>4.45</b>	<b>3.74</b>	<b>1.59</b>

The notes on pages 9 to 44 form an integral part of these consolidated financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)**

4

**Hock Soon Capital Berhad**

(Registration No: (202404049938 (1595782-M))

(Incorporated in Malaysia)

**and its subsidiaries****Consolidated statement of changes in equity**

<-----Attributable to owners of HSPF----->						
/----Non-distributable----/ Distributable						
Note	Share Capital RM	Fair value reserve RM	Retained earnings RM	Total RM	Non- controlling interests RM	Total RM
<b>At 1 October 2021</b>	9,261,000	2,232,506	108,271,562	119,765,068	-	119,765,068
Net change in fair value of equity instrument designated at fair value through other comprehensive income	22	-	(104,751)	-	(104,751)	-
Profit for the year	-	-	14,544,735	14,544,735	-	14,544,735
Total comprehensive income for the year	-	(104,751)	14,544,735	14,439,984	-	-
Transfer upon the disposal of equity investment designated at fair value through other comprehensive income	7	-	47,094	(47,094)	-	-
<b>At 30 September 2022/1 October 2022</b>	9,261,000	2,174,849	122,769,203	134,205,052	-	134,205,052
Net change in fair value of equity instrument designated at fair value through other comprehensive income	22	-	72,904	-	72,904	-
Profit for the year	-	-	34,242,924	34,242,924	-	34,242,924
Total comprehensive income for the year	-	72,904	34,242,924	34,315,828	-	34,315,828
<i>Distributions to owners of HSPF:</i>						
- Dividends to owners of HSPF	24	-	-	(1,000,000)	(1,000,000)	-
<b>Total transactions with owners of HSPF</b>	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
<b>At 30 September 2023</b>	9,261,000	2,247,753	156,012,127	167,520,880	-	167,520,880

**13. ACCOUNTANTS' REPORT (Cont'd)**

5

Registration No: 202404049938 (1595782-M)

**Consolidated statement of changes in equity (continued)**

<-----Attributable to owners of HSPF----->							
/---Non-distributable---/ Distributable							
Note	Share capital RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total RM	
<b>At 1 October 2023</b>	9,261,000	2,247,753	156,012,127	167,520,880	-	167,520,880	
Net change in fair value of equity instrument designated at fair value through other comprehensive income	22	-	1,077,442	-	1,077,442	-	1,077,442
Profit for the year		-	-	40,742,697	40,742,697	-	40,742,697
<b>Total comprehensive income for the year</b>		-	1,077,442	40,742,697	41,820,319		41,820,319
<i>Distributions to owners of HSPF:</i>							
- Dividends to owners of HSPF	24	-	-	(63,750,000)	(63,750,000)	-	(63,750,000)
<b>Total transactions with owners of HSPF</b>		-	-	(63,750,000)	(63,750,000)	-	(63,750,000)
Transfer upon the disposal of equity investment designated at fair value through other comprehensive income	7	-	(384,714)	384,714	-	-	-
Subscription of shares by non-controlling interest		-	-	-	30,000	30,000	
<b>At 30 September 2024</b>	9,261,000	2,940,481	133,389,538	145,591,019	30,000	145,621,019	
	Note 13.1	Note 13.2					

The notes on pages 9 to 44 form an integral part of these consolidated financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)**

6

**Hock Soon Capital Berhad**

(Registration No: (202404049938 (1595782-M))

(Incorporated in Malaysia)

**and its subsidiaries****Consolidated statement of cash flows**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Cash flows from operating activities</b>				
Profit before tax		53,884,015	45,421,126	18,426,912
Adjustments for:				
Bad debt written off		99,985	-	-
Depreciation of property, plant and equipment	3	2,007,015	1,665,304	1,841,082
Depreciation of right-of-use assets	4	159,711	159,753	340,314
Depreciation of investment properties	5	79,343	79,343	79,343
Gain on disposal of property, plant and equipment	18	(1,537,127)	(336,695)	(107,287)
Gain on disposal of right-of-use assets	18	-	-	(158,159)
Change in fair value of biological assets	8	(5,762,638)	(17,416,817)	(2,524,890)
Dividend income	18	(118,690)	(155,900)	(107,559)
Finance cost	20	18,669	13,045	44,741
Finance income	19	(2,848,545)	(1,798,915)	(1,172,712)
<b>Operating profit before changes in working capital</b>		45,981,738	27,630,244	16,661,785
Change in biological assets		(1,054,505)	(1,367,737)	(371,630)
Change in inventories		(346,467)	3,568,067	(3,652,974)
Change in trade and other receivables, prepayments and other assets		822,516	(1,800,147)	651,081
Change in trade and other payables		1,586,978	463,712	507,899
<b>Cash generated from operations</b>		46,990,260	28,494,139	13,796,161
Income tax paid		(12,703,229)	(2,088,409)	(2,004,684)
<b>Net cash from operating activities</b>		34,287,031	26,405,730	11,791,477

**13. ACCOUNTANTS' REPORT (Cont'd)**

7

Registration No: 202404049938 (1595782-M)

**Consolidated statement of cash flows (continued)**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	3, (i)	(9,737,577)	(7,741,953)	(2,071,937)
Proceed from disposal/(Acquisition) of quoted securities, net		2,076,287	(963,891)	345,965
Dividends received	18	118,690	155,900	107,559
Interest received		2,848,545	1,798,915	1,172,712
Proceeds from disposal of property, plant and equipment		8,923,476	336,700	169,200
Proceeds from disposal of right-of-use assets		-	-	300,000
Withdrawal/(Placement) of fixed deposits, net		<u>33,936,658</u>	<u>(19,555,961)</u>	<u>(13,444,961)</u>
<b>Net cash from/(used in) investing activities</b>		<u>38,166,079</u>	<u>(25,970,290)</u>	<u>(13,421,462)</u>
<b>Cash flows from financing activities</b>				
Dividend paid		(63,750,000)	(1,000,000)	-
Interest paid		(18,669)	(13,045)	(44,741)
Payment of lease liabilities		(8,814)	(284,688)	(729,790)
Payment of hire purchase		(598,338)	-	-
Drawdown of term loan, net		<u>4,686,876</u>	<u>-</u>	<u>-</u>
<b>Net cash used in financing activities</b>		<u>(59,688,945)</u>	<u>(1,297,733)</u>	<u>(774,531)</u>
Net increase/(decrease) in cash and cash equivalents		12,764,165	(862,293)	(2,404,516)
Cash and cash equivalents at beginning of the year		<u>6,006,927</u>	<u>6,869,220</u>	<u>9,273,736</u>
<b>Cash and cash equivalents at end of the year</b>	11	<u>18,771,092</u>	<u>6,006,927</u>	<u>6,869,220</u>

**Notes to statement of cash flows****(i) Non-cash transaction**

Included in the acquisition of property, plant, and equipment with an aggregate cost of RM10,922,577 (2023: RM7,741,953; 2022: RM2,071,937), of which RM1,185,000 (2023: Nil; 2022: Nil) was acquired by means of hire purchase arrangement.



**13. ACCOUNTANTS' REPORT (Cont'd)**

8

Registration No: 202404049938 (1595782-M)

**Consolidated statement of cash flows (continued)****Notes to statement of cash flows (continued)****(ii) Cash outflows for leases as a lessee**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Included in net cash from operating activities:</b>				
Expenses relating to variable lease payments not included in the measurement of lease liabilities		9,600	9,600	9,600
<b>Included in net cash from financing activities:</b>				
Interest paid in relation to lease liabilities	20	546	13,045	44,741
Payment of lease liabilities		8,814	284,688	729,790
<b>Total cash outflows for leases</b>		<b>18,960</b>	<b>307,333</b>	<b>784,131</b>

**(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities**

	Lease liabilities RM	Hire purchase RM	Borrowings RM	Total RM
<b>At 1 October 2021</b>	1,020,005	-	-	1,020,005
Interest expenses	44,741	-	-	44,741
Net changes from financing cash flows	(774,531)	-	-	(774,531)
<b>At 30 September 2022/1 October 2022</b>	290,215	-	-	290,215
Interest expenses	13,045	-	-	13,045
Net changes from financing cash flows	(297,733)	-	-	(297,733)
Remeasurement of leases	17,670	-	-	17,670
<b>At 30 September 2023/1 October 2023</b>	23,197	-	-	23,197
Interest expenses	546	11,901	6,222	18,669
Net changes from financing cash flows	(9,360)	(610,239)	(6,222)	(625,821)
Drawdown	-	1,185,000	4,686,876	5,871,876
<b>At 30 September 2024</b>	<b>14,383</b>	<b>586,662</b>	<b>4,686,876</b>	<b>5,287,921</b>

The notes on pages 9 to 44 form an integral part of these consolidated financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)**

9

**Hock Soon Capital Berhad**

(Registration No: (202404049938 (1595782-M))

(Incorporated in Malaysia)

**and its subsidiaries****Notes to the consolidated financial statements****1. Corporate information**

Hock Soon Capital Berhad is a public limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office of the Company is as follows:

Batu 4,  
Jalan Sungkai,  
35500 Bidor,  
Perak Darul Ridzuan.

The Company is principally involved in investment holding activities, whilst the principal activities of its consolidated entities are as stated in Note 6 to the consolidated financial statements.

The consolidated financial statements as at and for the financial year ended 30 September 2024, 30 September 2023 and 30 September 2022 comprise of Hock Soon Poultry Farm Sdn. Bhd. and its subsidiaries (together referred to as "HSPF Group" and individually referred to as "Group entities") and do not include other entities.

The financial statements were authorised for issue by the Board of Directors on 24 March 2025.

**2. Basis of preparation****(a) Statement of compliance**

The consolidated financial statements of HSPF Group for the financial years ended 30 September 2024, 30 September 2023 and 30 September 2022 have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by HSPF Group:

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

**13. ACCOUNTANTS' REPORT (Cont'd)**

10

Registration No: 202404049938 (1595782-M)

**2. Basis of preparation (continued)****(a) Statement of compliance (continued)*****MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025***

- *Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidation Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- 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*

HSPF Group plans to apply the abovementioned accounting standards, interpretations, and amendments where applicable, when they become effective in their respective financial periods.

The initial application of the abovementioned accounting standards and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of HSPF Group.

**13. ACCOUNTANTS' REPORT (Cont'd)**

11

Registration No: 202404049938 (1595782-M)

**2. Basis of preparation (continued)****(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

<b>Items</b>	<b>Measurement bases</b>
Equity securities at fair value through other comprehensive income	Fair value
Biological assets	Fair value
Structured deposits at fair value through profit or loss	Fair value

**(c) Functional and presentation currency**

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is HSPF Group's functional currency.

**(d) Use of estimates and judgements**

The preparation of the consolidated financial statements in conformity with MFRSs requires management to make judgements, 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 estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statement other than those disclosed in the following notes:

- Note 8 – fair value of biological assets

**13. ACCOUNTANTS' REPORT (Cont'd)**

12

Registration No: 202404049938 (1595782-M)

**3. Property, plant and equipment**

	Freehold land RM	Buildings RM	Farm machinery equipment and chicken house RM	Motor vehicles, tractors and forklifts RM	Office equipment, fittings and signboard RM	Capital work-in- progress RM	Total RM
<b>Cost</b>							
At 1 October 2021	17,649,272	6,910,773	53,491,314	5,157,609	4,310,120	2,448,094	89,967,182
Additions	-	-	856,451	1,190,642	24,844	-	2,071,937
Disposals	-	-	-	(610,185)	-	-	(610,185)
Reclassification	-	-	1,269,676	-	-	(1,269,676)	-
At 30 September 2022/1 October 2022	17,649,272	6,910,773	55,617,441	5,738,066	4,334,964	1,178,418	91,428,934
Additions	4,144,249	2,159,845	265,435	1,159,279	13,145	-	7,741,953
Disposals	-	-	-	(1,595,267)	-	-	(1,595,267)
At 30 September 2023/1 October 2023	21,793,521	9,070,618	55,882,876	5,302,078	4,348,109	1,178,418	97,575,620
Additions	-	2,944,002	5,066,107	2,361,290	551,178	-	10,922,577
Disposals	(2,089,009)	(5,218,104)	(966,152)	(1,830,082)	(13,044)	-	(10,116,391)
At 30 September 2024	19,704,512	6,796,516	59,982,831	5,833,286	4,886,243	1,178,418	98,381,806
<b>Accumulated depreciation and impairment loss</b>							
At 1 October 2021							
Accumulated depreciation	-	1,501,689	50,355,492	4,787,738	3,859,946	-	60,504,865
Accumulated impairment loss	-	-	-	-	-	1,178,418	1,178,418
Depreciation for the year	-	138,215	1,233,051	354,032	115,784	-	1,841,082
Disposal	-	-	-	(548,272)	-	-	(548,272)
At 30 September 2022/1 October 2022							
Accumulated depreciation	-	1,639,904	51,588,543	4,593,498	3,975,730	-	61,797,675
Accumulated impairment loss	-	-	-	-	-	1,178,418	1,178,418
Depreciation for the year	-	181,414	879,535	510,391	93,964	-	1,665,304
Disposal	-	-	-	(1,595,262)	-	-	(1,595,262)

**13. ACCOUNTANTS' REPORT (Cont'd)**

13

Registration No: 202404049938 (1595782-M)

**3. Property, plant and equipment (continued)**

	Freehold land RM	Buildings RM	Farm machinery equipment and chicken house RM	Motor vehicles, tractors and forklifts RM	Office equipment, fittings and signboard RM	Capital work-in- progress RM	Total RM
<b>Accumulated depreciation and impairment loss (continued)</b>							
At 30 September 2023/1 October 2023							
Accumulated depreciation	-	1,821,318	52,468,078	3,508,627	4,069,694	-	61,867,717
Accumulated impairment loss	-	-	-	-	-	1,178,418	1,178,418
	-	1,821,318	52,468,078	3,508,627	4,069,694	1,178,418	63,046,135
Depreciation for the year	-	194,319	1,008,469	709,425	94,802	-	2,007,015
Disposals	-	(868,277)	(955,610)	(894,964)	(11,191)	-	(2,730,042)
At 30 September 2024							
Accumulated depreciation	-	1,147,360	52,520,937	3,323,088	4,153,305	-	61,144,690
Accumulated impairment loss	-	-	-	-	-	1,178,418	1,178,418
	-	1,147,360	52,520,937	3,323,088	4,153,305	1,178,418	62,323,108
<b>Carrying amounts</b>							
At 1 October 2021	17,649,272	5,409,084	3,135,822	369,869	450,175	1,269,676	28,283,898
At 30 September 2022/1 October 2022	17,649,272	5,270,869	4,028,898	1,144,566	359,235	-	28,452,840
At 30 September 2023/1 October 2023	21,793,521	7,249,300	3,414,798	1,793,451	278,415	-	34,529,485
At 30 September 2024	19,704,512	5,649,156	7,461,894	2,510,198	732,938	-	36,058,698

**13. ACCOUNTANTS' REPORT (Cont'd)**

14

Registration No: 202404049938 (1595782-M)

**3. Property, plant and equipment (continued)****3.1 Security**

At 30 September 2024, freehold land with a carrying amount of RM5,767,225 (2023: RM1,924,313; 2022: RM1,924,313) are charged to licensed financial institutions for banking facilities granted to HSPF Group (see Note 16).

**3.2 Others**

Certain motor vehicles with net carrying amount of RM1,424,158 (2023: RM240,000; 2022: Nil) are held in trust by certain Directors of HSPF Group.

**3.3 Material accounting policy information****(a) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

**(b) Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 – 83 years
Farm machinery, equipment and chicken house	10 years
Motor vehicles, tractors and forklifts	5 years – 10 years
Office equipment, fittings and signboards	10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

**13. ACCOUNTANTS' REPORT (Cont'd)**

15

Registration No: 202404049938 (1595782-M)

**4. Right-of-use assets**

	<b>Farm machinery, equipment and chicken house RM</b>	<b>Motor vehicles RM</b>	<b>Building RM</b>	<b>Total RM</b>
<b>At 1 October 2021</b>	817,178	322,403	22,886	1,162,467
Depreciation	(150,864)	(180,562)	(8,888)	(340,314)
Derecognition	-	(141,841)	-	(141,841)
<b>At 30 September 2022/ 1 October 2022</b>	666,314	-	13,998	680,312
Depreciation	(150,864)	-	(8,889)	(159,753)
Remeasurement of lease	-	-	17,670	17,670
<b>At 30 September 2023/ 1 October 2023</b>	515,450	-	22,779	538,229
Depreciation	(150,864)	-	(8,847)	(159,711)
<b>At 30 September 2024</b>	364,586	-	13,932	378,518

HSPF Group leases buildings for 2 years, with an option to renew the lease for 1 year.

There is no extension option for farm machinery, equipment and chicken house which were leased for 10 years.

**4.1 Material accounting policy information****(a) Recognition and measurement**

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses. 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.

**(b) Recognition exemption**

HSPF Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. HSPF Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(c) Practical expedient**

HSPF Group applied the practical expedient to 'grandfather' their existing contracts for farm machinery, equipment and chicken house, which were previously assessed as leases under MFRS 117 at the date of initial application of MFRS 16.



**13. ACCOUNTANTS' REPORT (Cont'd)**

16

Registration No: 202404049938 (1595782-M)

**5. Investment properties**

	<b>Buildings RM</b>
<b>Cost</b>	
At 1 October 2021/30 September 2022/1 October 2022/ 30 September 2023/1 October 2023	6,251,134
Transfer to asset held for sale	<u>(416,000)</u>
At 30 September 2024	<u>5,835,134</u>
<b>Accumulated depreciation</b>	
At 1 October 2021	737,802
Depreciation for the year	<u>79,343</u>
At 30 September 2022/1 October 2022	817,145
Depreciation for the year	<u>79,343</u>
At 30 September 2023/1 October 2023	896,488
Depreciation for the year	<u>79,343</u>
Transfer to asset held for sale	<u>(158,080)</u>
At 30 September 2024	<u>817,751</u>
<b>Carrying amounts</b>	
At 1 October 2021	<u>5,513,332</u>
At 30 September 2022/1 October 2022	<u>5,433,989</u>
At 30 September 2023/1 October 2023	<u>5,354,646</u>
At 30 September 2024	<u>5,017,383</u>

**5.1** Investment properties comprise a number of commercial properties that are leased to third parties. Each of the lease contains an initial non-cancellable period of 2 years (2023: 2 years; 2022: 2 years). Subsequent renewals are negotiated with the lessee and on average renewal periods of 2 years (2023: 2 years; 2022: 2 years).

**5.2 Other income/expenses recognised in profit or loss in relation to investment properties**

	<b>30.09.2024 RM</b>	<b>30.09.2023 RM</b>	<b>30.09.2022 RM</b>
Rental income	167,552	171,336	187,572
Depreciation	79,343	79,343	79,343
Repairs and maintenance	67,988	76,432	49,318
Quit rent and assessment	<u>15,433</u>	<u>15,387</u>	<u>15,354</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

17

Registration No: 202404049938 (1595782-M)

**5. Investment properties (continued)****5.3 Maturity analysis of operating lease payments**

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Less than one year	197,184	119,836	158,936
One to two years	101,956	73,224	60,824
	<u>299,140</u>	<u>193,060</u>	<u>219,760</u>

**5.4 Fair value information**

Fair value of investment properties are categorised as follows:

	<b>30.09.2024</b>	<b>Level 3</b> <b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Buildings	<u>6,975,227</u>	<u>8,469,836</u>	<u>8,469,836</u>

**Level 3 fair value**

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair values of buildings are estimated by Directors by making reference to the asking price of comparable properties in close proximity and adjusting for differences in key attributes such as property size and bargain discount. The significant unobservable inputs include adjustments to price per square feet at comparable properties.

**5.5 Material accounting policy information****(a) Recognition and measurement**

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives.

**13. ACCOUNTANTS' REPORT (Cont'd)**

18

Registration No: 202404049938 (1595782-M)

**6. List of subsidiaries**

Details of the consolidated entities are as follows:

Name of company	Principal place of business/ Country of incorporation	Principal activity	Effective ownership interest and voting interest		
			2024 %	2023 %	2022 %
Hock Soon Resources Sdn. Bhd.	Malaysia	Trading of eggs	100	100	-
AL-Kauthar Trading Sdn. Bhd.	Malaysia	Trading of eggs	70%	-	-

**6.1 Incorporation of subsidiary**

On 20 September 2024, a new subsidiary namely AL-Kauthar Trading Sdn. Bhd. was incorporated with effective ownership of 70% by HSPF Group. The principal place of business is Malaysia and intended principal activity of the company is trading of eggs. The consideration of the share subscription was paid by the respective shareholders on 8 October 2024.

**7. Other investments**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Non-current</b>				
Quoted equity securities				
- Fair value through other comprehensive income	7.1	4,154,161	5,153,006	4,116,211
Structured deposits with original maturity exceeding 12 months				
- Amortised cost		-	4,500,000	4,500,000
		4,154,161	9,653,006	8,616,211
<b>Current</b>				
Fixed deposits with original maturity exceeding 3 months				
- Amortised cost	7.2	41,356,139	75,292,797	54,236,836
Structured deposits with original maturity exceeding 12 months				
- Fair value through profit or loss		-	-	1,500,000
- Amortised cost		4,500,000	-	-
		45,856,139	75,292,797	55,736,836
		50,010,300	84,945,803	64,353,047

**13. ACCOUNTANTS' REPORT (Cont'd)**

19

Registration No: 202404049938 (1595782-M)

**7. Other investments (continued)****7.1 Equity investments designated at fair value through other comprehensive income**

HSPF Group designated the investments in equity securities shown below as fair value through other comprehensive income because these investments in equity securities represent investments that HSPF Group intends to hold for long-term strategic purposes.

	<b>Fair value at 30 September RM</b>	<b>Dividend income recognised during the year RM</b>
<b>30.09.2024</b>		
QL Resources Berhad	3,344,852	30,971
Rhone Ma Holdings Berhad	809,309	22,504
	<u>4,154,161</u>	<u>53,475</u>
<b>30.09.2023</b>		
QL Resources Berhad	2,601,554	33,353
Public Bank Berhad	1,035,300	45,900
Industrial & Commercial Bank of China Ltd.	243,014	21,383
Yenher Holdings Berhad	34,000	1,200
Rhone Ma Holdings Berhad	835,935	16,890
China Construction Bank Corporation	403,203	37,174
	<u>5,153,006</u>	<u>155,900</u>
<b>30.09.2022</b>		
QL Resources Berhad	2,395,162	33,353
Public Bank Berhad	988,380	40,035
Industrial & Commercial Bank of China Ltd.	312,269	21,371
Yenher Holdings Berhad	26,000	1,200
Rhone Ma Holdings Berhad	394,400	11,600
	<u>4,116,211</u>	<u>107,559</u>

HSPF Group disposed the following investments which are carried at fair value through other comprehensive income because they are no longer in line with HSPF Group's strategy:

	<b>Fair value at derecognition RM</b>	<b>Cumulative gain on disposal RM</b>	<b>Dividend income recognised during the 2024 RM</b>
<b>30.09.2024</b>			
Public Bank Berhad	1,107,001	220,001	25,500
Industrial & Commercial Bank Of China Ltd.	321,434	77,738	-
Yenher Holdings Berhad	41,040	3,040	1,200
Rhone Ma Holdings Berhad	711,962	74,585	19,726
China Construction Bank Corporation	509,350	9,350	18,789
	<u>2,690,787</u>	<u>384,714</u>	<u>65,215</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

20

Registration No: 202404049938 (1595782-M)

**7. Other investments (continued)****7.1 Equity investments designated at fair value through other comprehensive income (continued)**

	Fair value at derecognition RM	Cumulative loss on disposal RM	Dividend income recognised during the 2024 RM
<b>30.09.2022</b>			
LTKM Berhad	345,966	(47,094)	-

**7.2** Included in the fixed deposit with licensed banks of HSPF Group is Nil (2023: RM1,000,000; 2022: RM1,000,000) pledged for bank facilities for HSPF Group.

**7.3 Material accounting policy information****(a) Equity investments not held for trading**

At initial recognition, HSPF Group irrevocably elects to present subsequent changes in the fair value of the investments in other comprehensive income. This election is made on an investment-by-investment basis.

**(b) Deposits with licensed banks**

HSPF Group classifies deposits with licensed banks not held for working capital purposes that has a maturity of more than three months as other investments.

**8. Biological assets**

	<b>30.09.2024 RM</b>	<b>30.09.2023 RM</b>	<b>30.09.2022 RM</b>
<b>At fair value less cost to sell:</b>			
Livestock	<u>49,094,481</u>	<u>42,277,338</u>	<u>23,492,784</u>
At 1 October 2023/2022/2021	42,277,338	23,492,784	20,596,264
Net addition	1,054,505	1,367,737	371,630
Change in fair value less costs to sell	<u>5,762,638</u>	<u>17,416,817</u>	<u>2,524,890</u>
At 30 September 2024/2023/2022	<u>49,094,481</u>	<u>42,277,338</u>	<u>23,492,784</u>

At 30 September 2024, livestock comprised approximately 1.63 million layers and pullets (2023: 1.54 million layers and pullets; 2022: 1.44 million layers and pullets). Agriculture produce for the year totalled approximately 398 million units (2023: 369 million units; 2022: 357 million units).

**13. ACCOUNTANTS' REPORT (Cont'd)**

21

Registration No: 202404049938 (1595782-M)

**8. Biological assets (continued)****Material accounting policy information**

Biological assets comprise pullets and layers that are measured at fair value less cost to sell. The fair value of pullets and layers is determined using discounted cash flow model based on expected cash inflow from agriculture produce less expected cost incur over the remaining life of pullets and layers and contributory assets charges for the land and farm houses owned by HSPF Group. Changes in fair value of the pullets and layers are recognised in profit or loss.

**Valuation process applied by HSPF Group**

Management's estimates and judgements are required in measuring the fair value of layers. In deriving the fair value of layers using discounted cash flow model, the management's estimation includes the expected number of eggs produced, projected selling prices, discount rate, mortality rate, feed consumption rate, feed costs and other estimated costs over the remaining life of the layers.

**Fair value information**

HSPF Group has classified its biological assets measured at fair value within Level 3 of the fair value hierarchy. The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation model.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship
Livestock: Livestock comprise of pullets and layers	Discounted cash flows: Fair value of layers are determined based on the present value of the expected net cash flows from the expected agricultural produce.	<ul style="list-style-type: none"> <li>- Estimated liveability rate of livestock</li> <li>- Estimated productivity rate of layers</li> <li>- Estimated price of agricultural produce</li> <li>- Estimated cost of feed consumption, vaccination and other overheads</li> <li>- Discount rate</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>- The estimated liveability rate of livestock were higher/(lower)</li> <li>- The estimated productivity rate of layers were higher/(lower)</li> <li>- The estimated price of agricultural produce were higher/(lower)</li> <li>- The estimated costs of feeds consumption, vaccination and other overheads were lower/(higher)</li> <li>- The discount rate was lower/(higher)</li> </ul>

**13. ACCOUNTANTS' REPORT (Cont'd)**

22

Registration No: 202404049938 (1595782-M)

**8. Biological assets (continued)**

The key assumptions used for the fair value calculation at financial year end are as follows:

	30.09.2024	30.09.2023	30.09.2022
Estimated average eggs' selling prices per piece (sen)	36	38	35
Estimated feed costs (RM per MT)	<u>1,275</u>	<u>1,712</u>	<u>1,904</u>

Sensitivity analysis

Sensitivity analysis of the possible changes in the key assumptions (assumes all other variables remained constant) on fair value of biological assets at year end are disclosed in the table below.

**Effect on fair value of biological assets**

	30.09.2024	30.09.2023	30.09.2022
Estimated average selling prices of eggs			
- Increased by 5%	+10.85%	+15.26%	+16.16%
- Decreased by 5%	<u>-10.85%</u>	<u>-15.26%</u>	<u>-16.16%</u>
Estimated feed costs (per MT)			
- Increased by 5%	-4.82%	-9.08%	-10.55%
- Decreased by 5%	<u>+4.82%</u>	<u>+9.04%</u>	<u>+10.55%</u>

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.

**9. Inventories**

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Feed and medicine	4,354,939	4,519,875	8,137,401
Packaging material	504,332	366,182	367,221
Agricultural produce - Eggs	<u>656,025</u>	<u>282,772</u>	<u>232,274</u>
	<u>5,515,296</u>	<u>5,168,829</u>	<u>8,736,896</u>

**Recognised in profit or loss:**

Inventories recognised as cost of sales	<u>67,630,139</u>	<u>83,921,650</u>	<u>92,915,748</u>
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**9.1 Material accounting policy information**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first-out method.

**13. ACCOUNTANTS' REPORT (Cont'd)**

23

Registration No: 202404049938 (1595782-M)

**10. Trade and other receivables**

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Trade</b>			
Trade receivables	5,407,596	6,105,874	5,774,525
<b>Non-trade</b>			
Other receivables	<u>297,999</u>	<u>127,618</u>	<u>176,676</u>
	<u>5,705,595</u>	<u>6,233,492</u>	<u>5,951,201</u>

**11. Cash and cash equivalents**

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Short-term deposits	1,630,670	-	-
Cash and bank balances	<u>17,140,422</u>	<u>6,006,927</u>	<u>6,869,220</u>
	<u>18,771,092</u>	<u>6,006,927</u>	<u>6,869,220</u>

**12. Asset classified as held for sale**

Assets classified as held for sale comprise building with intention to sell. Efforts to sell the property have commenced, and a sale is expected within a year from the financial period end.

	<b>Note</b>	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>
Investment property	5	<u>257,920</u>	<u>-</u>	<u>-</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

24

Registration No: 202404049938 (1595782-M)

**13. Capital and reserves****13.1 Share capital**

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Issued and fully paid shares with no par value classified as equity instruments:			
Ordinary shares			
At beginning/end of financial year	<u>9,261,000</u>	<u>9,261,000</u>	<u>9,261,000</u>

	<b>Number of ordinary shares</b>		
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
Issued and fully paid shares with no par value classified as equity instruments:			
Ordinary shares			
At beginning/end of financial year	<u>9,156,000</u>	<u>9,156,000</u>	<u>9,156,000</u>

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 HSPF.

**13.2 Fair value reserve**

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income until the investments are derecognised.

**14. Deferred tax liabilities**

The recognised deferred tax liabilities are attributable to the following:

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Biological assets	10,181,284	8,798,250	4,618,215
Property, plant and equipment	1,177,812	741,163	313,200
Others	<u>(27,003)</u>	<u>(14)</u>	<u>(18)</u>
	<u>11,332,093</u>	<u>9,539,399</u>	<u>4,931,397</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

25

Registration No: 202404049938 (1595782-M)

**14. Deferred tax liabilities (continued)**
*Movement in temporary differences during the year*

	At 1.10.2021 RM	Recognised in profit or loss (Note 21) RM	At 30.09.2022/ 1.10.2022 RM	Recognised in profit or loss (Note 21) RM	At 30.9.2023/ 1.10.2023 RM	Recognised in profit or loss (Note 21) RM	At 30.9.2024 RM
Biological assets	4,012,241	605,974	4,618,215	4,180,035	8,798,250	1,383,034	10,181,284
Property, plant and equipment	558,587	(245,387)	313,200	427,963	741,163	436,649	1,177,812
Others	(27)	9	(18)	4	(14)	(26,989)	(27,003)
Unabsorbed capital allowances	(268,613)	268,613	-	-	-	-	-
Unutilised losses	(336,927)	336,927	-	-	-	-	-
Net tax liabilities	3,965,261	966,136	4,931,397	4,608,002	9,539,399	1,792,694	11,332,093

**13. ACCOUNTANTS' REPORT (Cont'd)**

26

Registration No: 202404049938 (1595782-M)

**15. Trade and other payables**

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Trade</b>			
Trade payables	<u>5,755,526</u>	<u>5,025,504</u>	<u>4,627,397</u>
<b>Non-trade</b>			
Other payables	10,778	87,214	29,894
Deposits received	49,296	42,159	51,459
Accrued expenses	<u>2,111,129</u>	<u>1,184,874</u>	<u>1,167,289</u>
	<u>2,171,203</u>	<u>1,314,247</u>	<u>1,248,642</u>
	<u>7,926,729</u>	<u>6,339,751</u>	<u>5,876,039</u>

**16. Loans and borrowings**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Non-current</b>				
Hire purchase creditors	16.1	470,236	-	-
Bank loans	16.2	<u>4,184,631</u>	<u>-</u>	<u>-</u>
		<u>4,654,867</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
Hire purchase creditors	16.1	116,426	-	-
Bank loans	16.2	<u>502,245</u>	<u>-</u>	<u>-</u>
		<u>618,671</u>	<u>-</u>	<u>-</u>
		<u>5,273,538</u>	<u>-</u>	<u>-</u>

**16.1 Hire purchase creditors**

Hire purchase creditors were payable as follows:

	Future minimum lease payment RM	Interest RM	Present value of minimum lease payment RM
<b>30.09.2024</b>			
Less than one year	139,156	22,730	116,426
Between one and five years	<u>512,628</u>	<u>42,392</u>	<u>470,236</u>
	<u>651,784</u>	<u>65,122</u>	<u>586,662</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

27

Registration No: 202404049938 (1595782-M)

**16. Loans and borrowings (continued)****16.2 Bank loans****Security**

The bank loans are secured over freehold land and leasehold building (see Note 3).

**17. Revenue**

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue from contracts with customers	<u>151,377,197</u>	<u>146,250,802</u>	<u>134,178,054</u>
<b>Primary geographical markets</b>			
Malaysia	<u>151,377,197</u>	<u>146,250,802</u>	<u>134,178,054</u>
<b>Timing and recognition</b>			
At a point in time	<u>151,377,197</u>	<u>146,250,802</u>	<u>134,178,054</u>

**17.1 Nature of sales of goods**

Revenue from sales of goods is recognised upon goods being delivered and accepted by the customers at their premises or recognised upon the control of the goods being transferred to the customer. Payment terms for revenue from customers range from 7 days to 75 days (2023: 7 days to 75 days; 2022: 7 days to 75 days) from invoice date. There were no warranties given to the customers, nor any variable element in the consideration.

**13. ACCOUNTANTS' REPORT (Cont'd)**

28

Registration No: 202404049938 (1595782-M)

**18. Results from operating activities**

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Result from operating activities is arrived at after charging/ (crediting):</b>				
<b>Auditors' remunerations</b>				
Audit fees:				
- KPMG PLT		85,000	55,000	50,000
Non-audit fees:				
- KPMG PLT		31,200	15,200	15,400
<b>Material expenses/(income)</b>				
Bad debt written off		99,985	-	-
Depreciation of property, plant and equipment	3	2,007,015	1,665,304	1,841,082
Depreciation of right-of-use assets	4	159,711	159,753	340,314
Depreciation of investment properties	5	79,343	79,343	79,343
Director emoluments				
- remunerations and others		8,311,475	9,259,475	4,736,000
- contributions to defined contribution plans		1,573,960	1,744,960	888,989
Government subsidy income	18.1	(32,078,905)	(20,970,768)	(7,254,210)
Personnel expenses				
- wages, salaries and others		8,785,530	7,477,130	5,735,156
- contributions to defined contribution plans		210,670	187,550	169,270
Change in fair value of biological assets	8	(5,762,638)	(17,416,817)	(2,524,890)
Dividend income from quoted shares in Malaysia	7.1	(118,690)	(155,900)	(107,559)
Gain on disposal of property, plant and equipment		(1,537,127)	(336,695)	(107,287)
Gain on disposal of right-of-used asset		-	-	(158,159)
Realised gain on foreign exchange		(319,012)	(832)	(206)
Rental income from investment properties		<u>(167,552)</u>	<u>(171,336)</u>	<u>(187,572)</u>

18.1 The Government subsidy is related to an egg subsidy programme introduced in Malaysia in response of the hike in commodity feed prices. The subsidy was recognised in profit or loss in cost of sales where the raw material costs were recognised. There is no outstanding balance of deferred income or receivables related to the subsidy.

**13. ACCOUNTANTS' REPORT (Cont'd)**

29

Registration No: 202404049938 (1595782-M)

**19. Finance income**

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Interest income of financial assets calculated using the effective interest method that are: At amortised costs: - bank balances, deposits and placements with financial institutions	<u>2,848,545</u>	<u>1,798,915</u>	<u>1,172,712</u>

**20. Finance costs**

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Interest expense on lease liabilities	546	13,045	44,741
Interest expense on hire purchase	11,901	-	-
Term loan interest	<u>6,222</u>	<u>-</u>	<u>-</u>
	<u>18,669</u>	<u>13,045</u>	<u>44,741</u>

**21. Tax expense****Recognised in profit or loss**

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Current tax expense</b>			
- Current year	11,278,053	6,622,818	2,916,041
- Under/(Over) provision in prior year	<u>70,571</u>	<u>(52,618)</u>	<u>-</u>
Total current tax recognised in profit or loss	<u>11,348,624</u>	<u>6,570,200</u>	<u>2,916,041</u>

**Deferred tax expense**

- Origination and reversal of temporary differences	1,547,541	4,273,515	1,054,305
- Under/(over) provision in prior year	<u>245,153</u>	<u>334,487</u>	<u>(88,169)</u>
Total deferred tax recognised in profit or loss	<u>1,792,694</u>	<u>4,608,002</u>	<u>966,136</u>
Total tax expense	<u>13,141,318</u>	<u>11,178,202</u>	<u>3,882,177</u>

**Reconciliation of tax expense**

Profit before tax	<u>53,884,015</u>	<u>45,421,126</u>	<u>18,426,912</u>
Income tax calculated using Malaysian tax rate of 24% (2023: 24%; 2022: 24%)	12,932,164	10,901,070	4,422,458
Non-deductible expenses	405,394	176,859	155,618
Tax exempt income	(511,964)	(181,596)	(82,927)
Tax incentive	<u>-</u>	<u>-</u>	<u>(524,803)</u>
	<u>12,825,594</u>	<u>10,896,333</u>	<u>3,970,346</u>
Under/(over) provision in prior year	<u>315,724</u>	<u>281,869</u>	<u>(88,619)</u>
Total tax expense	<u>13,141,318</u>	<u>11,178,202</u>	<u>3,882,177</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

30

Registration No: 202404049938 (1595782-M)

**22. Other comprehensive income**

	Before tax RM	Tax expense RM	Net of tax RM
<b>30.09.2024</b>			
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of equity investments at fair value through other comprehensive income	<u>1,077,442</u>	<u>-</u>	<u>1,077,442</u>
<b>30.09.2023</b>			
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of equity investments at fair value through other comprehensive income	<u>72,904</u>	<u>-</u>	<u>72,904</u>
<b>30.09.2022</b>			
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of equity investments at fair value through other comprehensive income	<u>(104,751)</u>	<u>-</u>	<u>(104,751)</u>

**23. Earnings per ordinary share****Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share was based on the profit attributable to the owners of HSPF and a weighted average number of ordinary shares outstanding, calculated as follows:

	30.09.2024	30.09.2023	30.09.2022
Profit attributable to owners of HSPF (RM)	<u>40,742,697</u>	<u>34,242,924</u>	<u>14,544,735</u>
Weighted average number of ordinary shares (including invested equity):			
At beginning of the year/At end of the year (unit)	<u>9,156,000</u>	<u>9,156,000</u>	<u>9,156,000</u>
Basic earnings per share (RM)	<u>4.45</u>	<u>3.74</u>	<u>1.59</u>

**Diluted earnings per ordinary share**

The diluted earnings per share is not presented as the HSPF Group has no potential shares or other instruments with dilutive effects.

**13. ACCOUNTANTS' REPORT (Cont'd)**

31

Registration No: 202404049938 (1595782-M)

**24. Dividends**

Dividends recognised by HSPF Group:

**30.09.2022**

There was no any dividend declared and paid during the financial year ended 30 September 2022

	<b>Sen per share</b>	<b>Total amount</b>	<b>Date of payment</b>
<b>30.09.2023</b>			
Interim 2023 ordinary (single tier)	10.92	<u>1,000,000</u>	9 December 2022

	<b>Sen per share</b>	<b>Total amount RM</b>	<b>Date of payment</b>
<b>30.09.2024</b>			
Interim 2024 ordinary (single tier)	546.10	50,000,000	6 February 2024
Interim 2024 ordinary (single tier)	55.00	5,000,000	20 May 2024
Interim 2024 ordinary (single tier)	9.28	850,000	17 September 2024
Interim 2024 ordinary (single tier)	86.28	<u>7,900,000</u>	23 September 2024
		<u>63,750,000</u>	

On 1 November 2024, 9 December 2024 and 27 January 2025, the following proposed dividends have been approved by the Directors and recognised in subsequent financial year.

	<b>Sen per share</b>	<b>Total amount RM</b>	<b>Date of payment</b>
Interim 2025 ordinary (single tier)	54.61	5,000,000	18 November 2024
Interim 2025 ordinary (single tier)	273.04	25,000,000	26 December 2024
Interim 2025 ordinary (single tier)	141.98	<u>13,000,000</u>	25 February 2025
		<u>43,000,000</u>	



**13. ACCOUNTANTS' REPORT (Cont'd)**

32

Registration No: 202404049938 (1595782-M)

**25. Operating segments**

Segmental reporting is not separately presented as HSPF Group is principally engaged in the business as poultry farm owner and trading of eggs, which are substantially within a single operating segment. HSPF Group operates primarily in Malaysia.

Revenue of HSPF Group is derived from a single class of product.

For the purpose of resources allocation and performance assessment, the chief operating decision-maker reviews the results from operating activities as disclosed in consolidated statement of profit or loss and other comprehensive income.

All non-current assets of HSPF Group are located in Malaysia, being HSPF Group's country of domicile. The breakdown of HSPF Group's external revenues based on the geographical location of the external customers is as follows:

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
Malaysia	150,190,952	144,572,148	129,239,598
Hong Kong	1,186,245	1,678,654	4,938,456
	<u>151,377,197</u>	<u>146,250,802</u>	<u>134,178,054</u>

**26. Financial instruments****26.1 Categories of financial instruments**

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

- (a) Amortised cost ("AC");
- (b) Fair value through other comprehensive income ("FVOCI")
  - Equity instrument designated upon initial recognition ("EIDUIR"); and
- (c) Fair value through profit or loss ("FVTPL")

	<b>Carrying amount RM</b>	<b>AC RM</b>	<b>FVOCI - EIDUIR RM</b>	<b>FVTPL RM</b>
<b>30.09.2024</b>				
<b>Financial assets</b>				
Other investments	50,010,300	45,856,139	4,154,161	-
Trade and other receivables	5,675,595	5,675,595	-	-
Cash and cash equivalents	<u>18,771,092</u>	<u>18,771,092</u>	<u>-</u>	<u>-</u>
	<u>74,456,987</u>	<u>70,302,826</u>	<u>4,154,161</u>	<u>-</u>
<b>Financial liabilities</b>				
Loans and borrowings	(5,273,538)	(5,273,538)	-	-
Trade and other payables	<u>(7,926,729)</u>	<u>(7,926,729)</u>	<u>-</u>	<u>-</u>
	<u>(13,200,267)</u>	<u>(13,200,267)</u>	<u>-</u>	<u>-</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

33

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.1 Categories of financial instruments (continued)**

The table below provides an analysis of financial instruments categorised as follows (continued):

	Carrying amount RM	AC RM	FVOCI - EIDUIR RM	FVTPL RM
<b>30.09.2023</b>				
<b>Financial assets</b>				
Other investments	84,945,803	79,792,797	5,153,006	-
Trade and other receivables	6,233,492	6,233,492	-	-
Cash and cash equivalents	6,006,927	6,006,927	-	-
	<u>97,186,222</u>	<u>92,033,216</u>	<u>5,153,006</u>	<u>-</u>
<b>Financial liabilities</b>				
Trade and other payables	<u>(6,339,751)</u>	<u>(6,339,751)</u>	<u>-</u>	<u>-</u>
<b>30.09.2022</b>				
<b>Financial assets</b>				
Other investments	64,353,047	58,736,836	4,116,211	1,500,000
Trade and other receivables	5,951,201	5,951,201	-	-
Cash and cash equivalents	6,869,220	6,869,220	-	-
	<u>77,173,468</u>	<u>71,557,257</u>	<u>4,116,211</u>	<u>1,500,000</u>
<b>Financial liabilities</b>				
Trade and other payables	<u>(5,876,039)</u>	<u>(5,876,039)</u>	<u>-</u>	<u>-</u>

**26.2 Net gains and losses arising from financial instruments**

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Net gains/(losses) on:			
Equity instruments designated at FVOCI:			
- recognised in other comprehensive income	1,077,442	72,904	(104,751)
- recognised in profit or loss	118,690	155,900	107,559
	<u>1,196,132</u>	<u>228,804</u>	<u>2,808</u>
Financial assets at AC	3,067,572	1,799,747	1,172,918
Financial liabilities at AC	<u>(6,222)</u>	<u>-</u>	<u>-</u>
	<u>4,257,482</u>	<u>2,028,551</u>	<u>1,175,726</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

34

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.3 Financial risk management**

HSPF Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**26.4 Credit risk**

Credit risk is the risk of a financial loss to HSPF Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. HSPF Group's exposure to credit risk arises principally from the individual characteristics of each customer. There are no significant changes as compared to prior periods.

**Trade receivables***Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, HSPF Group assesses whether any of the trade receivables are credit-impaired.

The gross carrying amounts of credit-impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when HSPF Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

**26. Financial instruments (continued)****26.4 Credit risk (continued)****Trade receivables (continued)***Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position. A significant portion of these receivables are regular customers that have been transacting with HSPF Group. HSPF Group uses aging analysis to monitor the credit quality of the receivables.

*Recognition and measurement of impairment loss*

In managing credit risk of trade receivables, HSPF Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 to 60 days.

HSPF Group assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due.

HSPF Group considers a trade receivable to be in default when:

- the debtor is unlikely to pay its credit obligations to HSPF Group in full; or
- the trade receivable is more than 120 days past due.

HSPF Group measures expected credit losses ("ECLs") of trade receivables on individual basis.

Loss rates are based on actual credit loss experience over the past three years. HSPF Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) HSPF Group's view of economic conditions over the expected lives of the receivables. Nevertheless, HSPF Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

**13. ACCOUNTANTS' REPORT (Cont'd)**

36

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.4 Credit risk (continued)****Trade receivables (continued)***Recognition and measurement of impairment loss (continued)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Net balance RM</b>
<b>30.09.2024</b>			
Current (not past due)	3,463,119	-	3,463,119
1-30 days past due	1,831,149	-	1,831,149
31-120 days past due	113,328	-	113,328
	<u>5,407,596</u>		<u>5,407,596</u>
<b>30.09.2023</b>			
Current (not past due)	4,846,944	-	4,846,944
1-30 days past due	1,126,421	-	1,126,421
31-120 days past due	23,778	-	23,778
More than 120 days past due	108,731	-	108,731
	<u>6,105,874</u>	-	<u>6,105,874</u>
	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Net balance RM</b>
<b>30.09.2022</b>			
Current (not past due)	5,167,673	-	5,167,673
1-30 days past due	397,525	-	397,525
31-120 days past due	120,059	-	120,059
More than 120 days past due	89,268	-	89,268
	<u>5,774,525</u>		<u>5,774,525</u>

As at the end of the reporting period, the maximum exposure to credit risk is represented by carrying amounts in the statement of financial position. HSPF Group did not recognise any allowance for impairment losses because HSPF Group's financial assets have low credit risk.

**13. ACCOUNTANTS' REPORT (Cont'd)**

37

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.4 Credit risk (continued)****Trade receivables (continued)****Cash and cash equivalents and deposits with licensed banks**

The cash and cash equivalents and deposits are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, HSPF Group is of the view that the loss allowance is not material and hence, it is not provided for.

**26.5 Liquidity risk**

Liquidity risk is the risk that HSPF Group will not be able to meet its financial obligations as they fall due. HSPF Group's exposure to liquidity risk arises principally from its various payables and borrowings.

HSPF Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

**13. ACCOUNTANTS' REPORT (Cont'd)**

38

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.5 Liquidity risk (continued)***Maturity analysis*

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

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
<b>30.09.2024</b>							
<i>Non-derivative financial liabilities</i>							
Lease liabilities	14,383	2.85	14,740	9,360	5,380	-	-
Loans and borrowings	5,273,538	2.32 - 4.10	6,735,709	819,772	819,772	2,415,312	2,680,853
Trade and other payables	7,926,729	-	7,926,729	7,926,729	-	-	-
	<u>13,214,650</u>		<u>14,677,178</u>	<u>8,755,861</u>	<u>825,152</u>	<u>2,415,312</u>	<u>2,680,853</u>
<b>30.09.2023</b>							
<i>Non-derivative financial liabilities</i>							
Lease liabilities	23,197	2.85	24,100	9,360	14,740	-	-
Trade and other payables	6,339,751	-	6,339,751	6,339,751	-	-	-
	<u>6,362,948</u>		<u>6,363,851</u>	<u>6,349,111</u>	<u>14,740</u>	<u>-</u>	<u>-</u>
<b>30.09.2022</b>							
<i>Non-derivative financial liabilities</i>							
Lease liabilities	290,215	2.36 - 4.55	307,647	297,707	9,940	-	-
Trade and other payables	5,876,039	-	5,876,039	5,876,039	-	-	-
	<u>6,166,254</u>		<u>6,183,686</u>	<u>6,173,746</u>	<u>9,940</u>	<u>-</u>	<u>-</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

39

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.6 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates that will affect HSPF Group's financial position or cash flows.

**26.6.1 Currency risk**

HSPF Group is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

*Exposure to foreign currency risk*

HSPF Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in USD		
	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Balances recognised in the Statement of Financial Position</b>			
Bank balances	<u>440,058</u>	<u>761,828</u>	<u>2,313,840</u>

*Currency risk sensitivity analysis*

HSPF Group's exposure to currency risk is immaterial in the context of the financial statements and hence, sensitivity analysis is not presented.

**26.6.2 Interest rate risk**

HSPF Group's fixed rate financial assets and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Investment in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

*Risk management objectives, policies and processes for managing the risk*

The management monitors closely the prevailing interest rates at regular intervals and ensures that HSPF Group obtains competitive rates for its fixed deposits and borrowings.



**13. ACCOUNTANTS' REPORT (Cont'd)**

40

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.6 Market risk (continued)****26.6.2 Interest rate risk (continued)***Exposure to interest rate risk*

The interest rate profile of HSPF Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>			
Financial assets	47,486,809	79,792,797	58,736,836
Financial liabilities	(5,273,538)	-	-
Lease liabilities	(14,383)	(23,197)	(290,215)
	<u>42,198,888</u>	<u>79,769,600</u>	<u>58,446,621</u>

*Interest rate risk sensitivity analysis**(a) Fair value sensitivity analysis for fixed rate instruments*

HSPF Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and HSPF Group does not designate derivatives as hedging instruments under fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

**26.6.3 Other price risk**

Equity price risk arises from HSPF Group's investment in equity securities.

***Risk management objectives, policies and processes for managing the risk***

Management of HSPF Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Directors of HSPF Group.

***Equity price risk sensitivity analysis***

This analysis assumes that all other variables remain constant and HSPF Group's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 10% (2023: 10%; 2022: 10%) strengthening in FBMKLCI at the end of the reporting period would have increased equity by RM415,416 (2023: RM515,300; 2022: RM411,621) for investments classified as available-for-sale. A 10% (2023: 10%; 2022: 10%) weakening in FBMKLCI would have had equal but opposite effect on equity.

**13. ACCOUNTANTS' REPORT (Cont'd)**

41

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.7 Fair value information**

The carrying amount of cash and cash equivalents, short-term receivables, payables and short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments.

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
<b>2024</b>										
<b>Financial assets</b>										
<i>At FVOCI</i>										
Quoted securities	4,154,161	-	-	4,154,161	-	-	-	-	4,154,161	4,154,161
<b>Financial liabilities</b>										
<i>At amortised cost</i>										
Loans and borrowings	-	-	-	-	-	-	5,287,770	5,287,770	5,287,770	5,273,538
<b>2023</b>										
<b>Financial assets</b>										
<i>At FVOCI</i>										
Quoted securities	5,153,006	-	-	5,153,006	-	-	-	-	5,153,006	5,153,006
<i>At amortised cost</i>										
Structured deposits	-	-	-	-	-	-	4,517,400	4,517,400	4,517,400	4,500,000

**13. ACCOUNTANTS' REPORT (Cont'd)**

42

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)**

**26.7 Fair value information (continued)**

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM		
<b>2022</b>										
<b>Financial assets</b>										
<i>At FVOCI</i>										
Quoted securities	4,116,211	-	-	4,116,211	-	-	-	-	4,116,211	4,116,211
<i>At amortised cost</i>										
Structured deposits	-	-	-	-	-	-	4,464,966	4,464,966	4,464,966	4,500,000

**13. ACCOUNTANTS' REPORT (Cont'd)**

43

Registration No: 202404049938 (1595782-M)

**26. Financial instruments (continued)****26.7 Fair value information (continued)****Transfer between Level 1 and Level 2 fair values**

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2023: no transfer in either directions; 2022: no transfer in either directions).

**Level 3 fair value****26.7.1 Financial instruments not carried at fair value**

Type	Description of valuation technique and inputs used
Borrowings	Discounted cash flow using a rate based on the current market rate of borrowing of HSPF Group at the reporting date.

**26.8 Material accounting policy information**

HSPF Group applies trade date accounting for regular way purchase or sale of financial assets.

**27. Capital management**

The primary objective of HSPF Group's capital management is to ensure that it maintains a strong capital base to support its business and maximise shareholder value.

HSPF Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, HSPF Group may issue new capital, return capital or adjust the amount of dividends paid to shareholders. No changes were made in the objectives, policies or processes for the financial year ended 30 September 2024, 30 September 2023 and 30 September 2022.

HSPF Group is not subject to externally imposed capital requirements.

**13. ACCOUNTANTS' REPORT (Cont'd)**

44

Registration No: 202404049938 (1595782-M)

**28. Capital commitment**

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>Capital expenditure commitments</b>			
<i>Property, plant and equipment</i>			
Contracted but not provided for	<u>10,520,000</u>	<u>-</u>	<u>7,841,789</u>

Subsequent to end of the financial year, HSPF Group has completed the acquisition of the above property, plant and equipment.

**29. Related parties****Significant related party transactions**

Related party transactions have been entered into in the ordinary course of business under normal trade terms other than the disposal of property, plant and equipment which is under negotiated terms. The significant related party transactions of HSPF Group are shown below. The balances related to the below transactions are shown in Note 10.

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
<b>A. Key management personnel</b>			
<b>Directors</b>			
Fees	24,000	72,000	72,000
Remuneration	9,861,436	10,932,435	5,552,989
Estimated monetary value of benefits-in-kind	<u>113,108</u>	<u>88,425</u>	<u>63,909</u>
<b>B. Company in which the Directors of the Company have interests</b>			
Disposal of property, plant and equipment	<u>8,350,074</u>	<u>-</u>	<u>-</u>

**30. Subsequent events**

On 13 March 2025, the Company entered into a conditional share sale agreement with Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe to acquire the entire equity interest in HSPF comprising 9,261,000 ordinary shares for a purchase consideration of RM102.6 million, which will be fully satisfied by the issuance of 399,999,999 new ordinary shares in the Company at an issue price of RM0.2565 per Share.

### 13. ACCOUNTANTS' REPORT (Cont'd)



**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
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The Board of Directors  
**Hock Soon Capital Berhad**  
Batu 4, Jalan Sungkai,  
35500 Bidor,  
Perak Darul Ridzuan

24 March 2025

Dear Sirs,

**Reporting Accountant's opinion on the consolidated financial statements of Hock Soon Poultry Farm Sdn. Bhd. contained in the Accountants' Report of Hock Soon Capital Berhad**

Hock Soon Capital Berhad ("the Company") was incorporated on 26 November 2024 for the purpose of a corporate exercise, as part of the listing scheme in relation to the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Listing"), that will result in the Company becoming the holding company of Hock Soon Poultry Farm Sdn. Bhd. ("HSPF") and its subsidiary (collectively referred to as "HSPF Group"). For the purpose of the financial statements included in this accountants' report, as the Company was incorporated subsequent to the latest reporting period presented, the financial information contained in this accountants' report relate solely to HSPF Group.

#### Opinion

We have audited the consolidated financial statements of HSPF, which comprise the consolidated statements of financial position as at 30 September 2024, 30 September 2023 and 30 September 2022, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 2 to 44. The consolidated financial statements of HSPF have been prepared for inclusion in the draft prospectus of the Company in connection with the listing of and quotation for the entire issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and for no other purposes.

In our opinion, the accompanying consolidated financial statements of HSPF give a true and fair view of the financial position of HSPF Group as of 30 September 2024, 30 September 2023 and 30 September 2022, and of its financial performance and its cash flows for the years then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

### 13. ACCOUNTANTS' REPORT (*Cont'd*)



**Hock Soon Capital Berhad**  
(Registration No. 202401049938 (1595782-M))  
Reporting Accountant's opinion on the consolidated financial  
statements contained in the Accountants' Report

#### **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 *Reporting Accountant's Responsibilities for the Audit of the Consolidated Financial Statements* section of our reporting accountants' 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 Company and HSPF 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.

#### **Responsibilities of the Directors for the Consolidated Financial Statements**

The Directors of HSPF ("Directors") are responsible for the preparation of consolidated financial statements of HSPF that give a true and fair view in accordance with MFRS Accounting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements of HSPF that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of HSPF, the Directors are responsible for assessing the ability of HSPF Group 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 HSPF Group or to cease operations, or have no realistic alternative but to do so.

#### **Reporting Accountant's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of HSPF as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountant's 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 consolidated 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:

- i) Identify and assess the risks of material misstatement of the consolidated financial statements of HSPF, 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.
- ii) 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 HSPF Group.

### 13. ACCOUNTANTS' REPORT (*Cont'd*)



**Hock Soon Capital Berhad**  
(Registration No. 202401049938 (1595782-M))  
Reporting Accountant's opinion on the consolidated financial  
statements contained in the Accountants' Report

#### **Reporting Accountant's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv) 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 HSPF Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the consolidated financial statements of HSPF 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 reporting accountants' report. However, future events or conditions may cause HSPF Group to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the consolidated financial statements of HSPF, including the disclosures, and whether the consolidated financial statements of HSPF represent the underlying transactions and events in a manner that gives a true and fair view.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within HSPF Group to express an opinion on the consolidated financial statements of HSPF. We are responsible for the direction, supervision and performance of HSPF Group audit. We remain solely responsible for our audit opinion.

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

#### **Restriction on Distribution and Use**

This report is made solely to the Company and for inclusion in the draft prospectus of the Company in connection with the proposed listing of and quotation for the entire enlarged issued share capital of the Company on the Main Market of Bursa Securities and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

**Florence Chua Lei Choon**  
Approval Number: 03347/01/2026 J  
Chartered Accountant