THIS DOCUMENT HAS NOT BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE INFORMATION IN THIS DOCUMENT MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED WITH THE SC. UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES.

PROSPECTUS

HOCK SOON CAPITAL BERHAD
(202401049938 (1595782-M))
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

(I) PUBLIC ISSUE OF 100,000,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- **25,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;**
- **12,500,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND**
- **62,500,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY;**

AND

(II) OFFER FOR SALE OF 50,000,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE PRICE OF RM[•] PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Adviser, Underwriter and Placement Agent

M & A SECURITIES SDN BHD
(197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

[THE SC HAS APPROVED OUR IPO AND THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC]. THE APPROVAL OF OUR IPO, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING THE RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 212.

This Prospectus is dated [•]

Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

M & A Securities Sdn Bhd, being our Adviser, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the ROC (as defined herein), who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA (as defined herein) for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Our Shares are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on [•]. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/ or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/ or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined herein) may be subject to risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein) or Participating Securities Firms (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third-party internet sites (referred to as "**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

(a) We and our Adviser do not endorse and are not affiliated in any way with the Third-Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;

(b) We and our Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, for fulfilling any of the terms of your agreements with the Third-Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and

(c) Any data, information, files or other material downloaded from Third-Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions or Participating Securities Firms, you are advised that:

(a) The Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions or Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties; and

(b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions or Participating Securities Firms shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions or Participating Securities Firms, and/ or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	[●]
Closing of Application	[●]
Balloting of Application	[●]
Allotment of IPO Shares to successful applicants	[●]
Date of Listing	[●]

If there is any change to the indicative timetable, we will advertise the notice of such change in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement on Bursa Securities' website.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "Hock Soon" and "Company" in this Prospectus are to Hock Soon Capital Berhad (202401049938 (1595782-M)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project", "propose" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

(a) demand for our products;

(b) our business strategies;

(c) our future plans;

(d) our future earnings, cash flows and liquidity; and

(e) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

(a) the economic, political and investment environment in the countries which we operate; and

(b) Government policy, legislation or regulation of the countries which we operate in.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part ll (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

"Hock Soon" or "Company"	:	Hock Soon Capital Berhad (202401049938 (1595782-M))
"Hock Soon Group" or "Group"	:	Hock Soon and its subsidiaries, collectively
"Hock Soon Poultry Farm"	:	Hock Soon Poultry Farm Sdn Bhd (197901006678 (50963-M))
"Hock Soon Resources"	:	Hock Soon Resources Sdn Bhd (202301023160 (1517083-H))
"Al-Kauthar Trading"	:	Al-Kauthar Trading Sdn Bhd (202401039563 (1585410-U))

GENERAL:

"ACCA"	:	Association of Certified Chartered Accountants
"Acquisition of Hock Soon Poultry Farm"	:	Acquisition by Hock Soon of the entire equity interest of Hock Soon Poultry Farm for a purchase consideration of RM102.6 million which was wholly satisfied by the issuance of 399,999,999 new Shares at an issue price of RM0.2565 per Share, which was completed on [●]
"Act"	:	Companies Act 2016
"ADA"	:	Authorised Depository Agent
"Adviser" or "Underwriter" or "Placement Agent"	:	M&A Securities
"Application(s)"	:	Application(s) for IPO Shares by way of Application Form(s), Electronic Share Application(s) or Internet Share Application(s)
"Application Form(s)"	:	Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"ATM"	:	Automated teller machine
"Bidor Integrated Farm"	:	Comprising our Group's headquarters, 26 and 7 closed-house chicken coops for mature hens and pullets respectively, a central grading and sorting station, as well as a feed mill for poultry farming operations, all located within 4 parcels of contiguous land at Batu 4, Jalan Sungkai, 35500 Bidor, Perak
"BL Ong & Sons Ventures"	:	BL Ong & Sons Ventures Sdn Bhd (202401005766 (1551616-D))
"Board"	:	Board of Directors of Hock Soon
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))

DEFINITIONS *(Cont'd)*

"CAGR"	:	Compound annual growth rate
"CCC"	:	Certificate of completion and compliance
"CCM"	:	Companies Commission of Malaysia
"CDS"	:	Central Depository System
"CDS Account"	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Central Depositories Act" or "SICDA"	:	Securities Industry (Central Depositories) Act 1991
"CMSA"	:	Capital Markets and Services Act 2007
"Constitution"	:	Our constitution
"COVID-19"	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
"Director(s)"	:	Executive director(s) or non-executive director(s) of our Company within the meaning of Section 2 of the Act
"DOSH"	:	Department of Occupational Safety and Health Malaysia
"DVS"	:	Department of Veterinary Services Malaysia
"EBIT"	:	Earnings before interest and tax
"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/ or an electronic storage medium
"Electronic Share Application(s)"	:	Application(s) for IPO Shares through a Participating Financial Institution's ATM
"Eligible Person(s)"	:	Eligible Director(s), employee(s), and person(s) who have contributed to the success of our Group who are eligible to participate in the Pink Form Allocations, collectively
"EPS"	:	Earnings per share
"Equity Guidelines"	:	Equity Guidelines issued by the SC
"F&B"	:	Food and beverages
"Feed Board"	:	Feed board established under the Feed Act 2009
"FMA"	:	Factories and Machinery Act 1967
"FYE"	:	Financial year(s) ended/ ending 30 September, as the case may be
"Government"	:	Government of Malaysia

"GP"	:	Gross profit
"HR"	:	Human resource
"ICSA"	:	Institute of Chartered Secretaries and Administrators
"IFRS"	:	International Financial Reporting Standards
"IMR" or "SMITH ZANDER"	:	Smith Zander International Sdn Bhd (201301028298 (1058128-V)), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled "Layer Poultry Industry in Malaysia" dated [•]
"Initial Public Offering" or "IPO"	:	Our initial public offering comprising the Public Issue and Offer for Sale
"Internet Participating Financial Institution(s)" or "Participating Securities Firm(s)"	:	Participating financial institution(s) or participating securities firm(s) for Internet Share Application as listed in Section 16.6
"Internet Share Application(s)"	:	Application(s) for IPO Shares through an online share application service provided by Internet Participating Financial Institution(s) or Participating Securities Firm(s)
"IPO Price"	:	Issue price/ offer price of RM[●] per Share under our IPO
"IPO Share(s)"	:	Issue Share(s) and Offer Share(s), collectively
"ISO"	:	International Organisation for Standardisation
"Issue Share(s)"	:	New Share(s) to be issued under our Public Issue
"Issuing House"	:	Malaysian Issuing House (199301003608 (258345-X))
"JAKIM"	:	Department of Islamic Development of Malaysia
"Listing"	:	Listing of and quotation for our entire enlarged share capital of RM[●] comprising 500,000,000 Shares on the Main Market
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"Listing Scheme"	:	Public Issue, Offer for Sale and Listing, collectively
"LPD"	:	28 February 2025, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	:	M & A Securities Sdn Bhd (197301001503 (15017-H))
"MAICSA"	:	Malaysian Institute of Chartered Secretaries and Administrators
"Main Market"	:	Main Market of Bursa Securities

DEFINITIONS *(Cont'd)*

"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities. This may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"MCCG"	:	Malaysian Code on Corporate Governance
"MCO"	:	The nationwide Movement Control Order imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
"MeSTi"	:	Makanan Selamat Tanggungjawab Industri, a food safety certification scheme by MOH
"MFRS"	:	Malaysian Financial Reporting Standards
"MIA"	:	Malaysian Institute of Accountants
"MITI"	:	Ministry of Investment, Trade and Industry
"MOH"	:	Ministry of Health
"Moratorium Shareholder(s)"	:	Ong Legacy, Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe, being shareholder(s) of our Company whose Shares will be subject to moratorium pursuant to Paragraphs 5.29(a) and 5.30, Part II of the Equity Guidelines
"myGAP"	:	Malaysian Good Agricultural Practices
"MyIPO"	:	Intellectual Property Corporation of Malaysia
"NA"	:	Net assets
"NBV"	:	Net book value
"Offer for Sale"	:	Offer for sale of 50,000,000 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Share(s)"	:	50,000,000 existing Share(s) to be offered by our Selling Shareholders pursuant to our Offer for Sale
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities
"Ong Legacy"	:	Ong Legacy Sdn Bhd (202501012239 (1613653-T))
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application(s) as listed in Section 16.5
"PAT"	:	Profit after taxation

DEFINITIONS *(Cont'd)*

"PBT"	:	Profit before taxation
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 12,500,000 Issue Shares to Eligible Person(s), which forms part of our Public Issue
"Promoter(s)"	:	Ong Legacy, Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe, collectively
"Prospectus"	:	This prospectus dated [•] in relation to our IPO
"Prospectus Guidelines"	:	Prospectus Guidelines issued by the SC
"Public Issue"	:	Public issue of 100,000,000 Issue Shares at our IPO Price
"QA"	:	Quality assurance
"QC"	:	Quality control
"R&D"	:	Research and development
"ROC"	:	Registrar of Companies
"Rules of Bursa Depository" or "Depository Rules"	:	Rules of Bursa Depository and any appendices thereto
"SC"	:	Securities Commission Malaysia
"Selling Shareholder(s)"	:	Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe, collectively
"Share(s)"	:	Ordinary share(s) in Hock Soon
"Share Transfer"	:	The undertaking by Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe to transfer of a total of 350,000,000 Shares held by them (after the Offer for Sale) to Ong Legacy during the prescription period (one day after the date of this Prospectus up to a period of 30 days thereon)
"Teluk Intan Lands"	:	3 plots of adjacent lands held under (i) Geran 65906, Lot 802, Mukim Changkat Jong, Daerah Hilir Perak, Perak; (ii) Geran Mukim 493, Lot 218, Mukim Changkat Jong, Daerah Hilir Perak, Perak; and (iii) Geran Mukim 494, Lot 219, Mukim Changkat Jong, Daerah Hilir Perak, Perak, for the establishment of our Group's new poultry farm
"UK"	:	United Kingdom
"Underwriting Agreement"	:	Underwriting agreement dated [•] entered into between our Company and M&A Securities for the purpose of our IPO
"USA"	:	United States of America

DEFINITIONS *(Cont'd)*

CURRENCIES:

"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SGD"	:	Singapore Dollar

UNIT OF MEASUREMENTS:

"Ha"	:	Hectares
"MT"	:	Metric tonnes
"sqm"	:	Square metre
"sq ft"	:	Square feet

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TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

"Air inlet valve"	:	A part of ventilation system that directs clean air into chicken coops to regulate air flow
"Automated feed hopper"	:	An automated feeding device that dispenses a controlled amount of feed to poultry at preset timing
"Day-old-chicks"	:	Newly hatched chicks that are at the age of less than a day old
"DHA"	:	Refers to 'docosahexaenoic acid', which is an omega-3 fatty acid commonly derived from cold-water fatty fish for the maintenance of heart and brain health in humans
"Footbath"	:	A container filled with liquid disinfectant used to wash and disinfect the soles of one's shoes before entering a premise
"FT-NIR spectrometer"	:	An equipment used to analyse the content of a material that is in solid, powder, tablet, granule, paste or liquid forms
"Layer chickens"	:	Hens that are raised for the commercial production of eggs. In the context of this Prospectus, usage of the term 'layer chickens' generally covers both pullets and mature hens
"Liquid eggs"	:	The contents of soiled, spotted, cracked or broken eggs that are bagged and sold to customers
"Mature hens"	:	Hens that are between 18 and 90 weeks old and have begun laying eggs
"Ordinary eggs"	:	Eggs that contain basic nutritional value which are produced by layer chickens that are fed with basic poultry feed without enrichments added to them
"Pad cooling system"	:	A cooling system that utilises cooling pads to lower the temperature of chicken coops. This is done by allowing outside air to flow through the cooling pads that are kept damp by trickling water which cools the air before it flows into the chicken coops
"Premium eggs"	:	Eggs that contain higher nutritional value, such as Vitamin E, Omega DHA and selenium. These eggs are produced by layer chickens that are fed with enriched poultry feed
"Pullets"	:	Chicks that are aged 17 weeks or below
"Selenium"	:	An essential mineral to the human body that plays an integral role in maintaining metabolic health as well as contains antioxidant properties which confers protection from oxidative damage and infection
"Spent chickens"	:	Hens that have passed their prime laying period, which are generally at or above the age of 90 weeks

TECHNICAL GLOSSARY *(Cont'd)*

"Table eggs"	:	Eggs, comprising ordinary eggs and premium eggs, produced from poultry farming and sold for household and commercial consumption
"Temperature sensor"	:	A device used to detect and measure the temperature in chicken coops
"Test sieve machine"	:	A machine used to conduct particle size analysis to ensure that a material is of the correct size and texture

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Registration No. 202401049938 (1595782-M)

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Residential address	Nationality/ Profession	Gender
Datuk Seri Nurmala Binti Abd Rahim	Independent Non-Executive Chairperson	E-19-3, Villa Wangsamas Condo Jalan Seri Wangsa I Wangsa Maju 53300 Kuala Lumpur	Malaysian/ Director	Female
Ong Boon Leng	Managing Director	2, Jalan Kenyalang 11/6A PJU 5, Kota Damansara 47810 Petaling Jaya Selangor	Malaysian/ Director	Male
Lim Suk Gen	Executive Director	2, Jalan Kenyalang 11/6A PJU 5, Kota Damansara 47810 Petaling Jaya Selangor	Malaysian/ Director	Female
Ong Keat Qian	Executive Director	2, Jalan Kenyalang 11/6A PJU 5, Kota Damansara 47810 Petaling Jaya Selangor	Malaysian/ Director	Male
Ong Keat Hoe	Executive Director	47, Jalan PJU 3/16B Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor	Malaysian/ Director	Male
Pook Kim Nyean	Independent Non-Executive Director	E2-08-10, OUG Parklane Condo Jalan 1/152 Taman OUG Parklane 58200 Kuala Lumpur	Malaysian/ Director	Male
Chang Lih Yik	Independent Non-Executive Director	9, Jalan Pinggiran Pengkalan 1A Pinggir Pengkalan Permai 31650 Ipoh Perak	Malaysian/ Director	Male
Tan Phaik Yen	Independent Non-Executive Director	13, Jalan Kantan 4 Ambang Botanic 41200 Klang Selangor	Malaysian/ Director	Female

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Pook Kim Nyean	Chairperson	Independent Non-Executive Director
Chang Lih Yik	Member	Independent Non-Executive Director
Tan Phaik Yen	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Chang Lih Yik	Chairperson	Independent Non-Executive Director
Pook Kim Nyean	Member	Independent Non-Executive Director
Tan Phaik Yen	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

REMUNERATION COMMITTEE

Name	Designation	Directorship
Tan Phaik Yen	Chairperson	Independent Non-Executive Director
Pook Kim Nyean	Member	Independent Non-Executive Director
Chang Lih Yik	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Wong Youn Kim (SSM Practising Certificate No. 201908000410)
(MAICSA 7018778)
(Fellow Member of the MAICSA)

Lee Chin Wen (SSM Practising Certificate No. 202008001901)
(MAICSA 7061168)
(Associate Member of the MAICSA)

B-25-2, Block B, Jaya One
72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor

Telephone number: +603-7955 0955

REGISTERED OFFICE : B-25-2, Block B, Jaya One
72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor

Telephone number: +603-7955 0955

HEAD OFFICE : Batu 4, Jalan Sungkai
35500 Bidor
Perak

Telephone number: +605-4341 852

EMAIL ADDRESS AND WEBSITE : Email address: infohocksoon@yahoo.com
Website: https://hocksoon.com

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING : **KPMG PLT**
(LLP0010081-LCA & AF 0758)

Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor

Partner-in-charge: Florence Chua Lei Choon
Approval number: 03347/01/2026 J
(Chartered Accountant of MIA and Malaysian Institute of Certified Public Accountant)

Telephone number: +603 7721 3388

1. CORPORATE DIRECTORY *(Cont'd)*

ADVISER, UNDERWRITER AND PLACEMENT AGENT	:	**M & A Securities Sdn Bhd** (197301001503 (15017-H)) 45 & 47, Levels 3 and 7 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone number: +603-2284 2911
SOLICITORS FOR OUR LISTING	:	**Tay & Helen Wong** F703, Phileo Damansara 1 9, Jalan 16/11 46350 Petaling Jaya Selangor Telephone number: +603-7960 1863
ISSUING HOUSE	:	**Malaysian Issuing House Sdn Bhd** (199301003608 (258345-X)) 11th Floor, Menara Symphony 5, Jalan Prof Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Telephone number: +603-7890 4700
SHARE REGISTRAR	:	**Boardroom Share Registrars Sdn Bhd** (199601006647 (378993-D)) 11th Floor, Menara Symphony 5, Jalan Prof Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Telephone number: +603-7890 4700
INDEPENDENT MARKET RESEARCHER	:	**Smith Zander International Sdn Bhd** (201301028298 (1058128-V)) 15-01, Level 15 Menara MBMR 1, Jalan Syed Putra 58000 Kuala Lumpur Managing Partner: Dennis Tan Tze Wen *(Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada)* Telephone number: +603-2732 7537
LISTING SOUGHT	:	Main Market

2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF OUR IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

	Public Issue		Offer for Sale		Total	
	No. of Shares	**(1)%**	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**
Malaysian Public(2)	25,000,000	5.0	-	-	25,000,000	5.0
Pink Form Allocations	12,500,000	2.5	-	-	12,500,000	2.5
Private placement to MITI approved Bumiputera investors	62,500,000	12.5	-	-	62,500,000	12.5
Private placement to selected investors	-	-	50,000,000	10.0	50,000,000	10.0
	100,000,000	**20.0**	**50,000,000**	**10.0**	**150,000,000**	**30.0**

Enlarged number of Shares upon Listing	500,000,000
IPO Price per Share	RM[●]
Market capitalisation upon Listing (based on our IPO Price and enlarged number of Shares upon Listing)	RM[●]

Notes:

(1) Based on our enlarged share capital of 500,000,000 Shares after IPO.

(2) 12,500,000 Shares will be set aside for Bumiputera public investors.

Further details of our IPO are set out in Section 4.

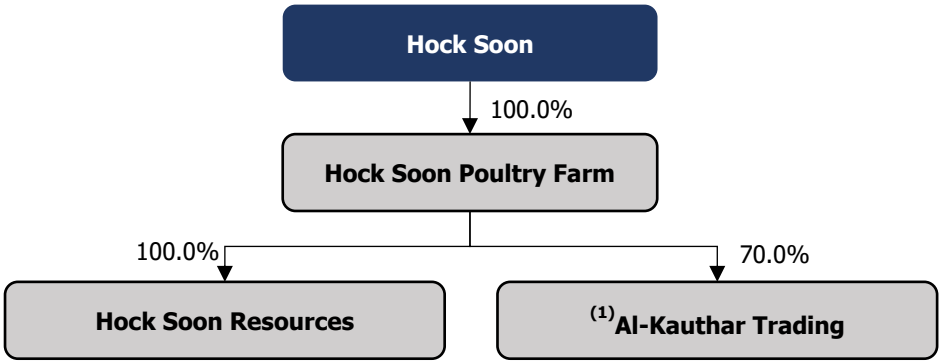
Ong Legacy's entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our admission to the Main Market. In addition, the shareholders of Ong Legacy, namely Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe, all of whom are our Promoters and substantial shareholders, have also provided their written undertakings not to sell, transfer or assign their shareholdings in Ong Legacy for 6 months from the date of our admission to the Main Market.

Further details on the moratorium on our Shares are set out in Section 3.2.

2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 26 November 2024 as a private limited company under the name of Hock Soon Capital Sdn Bhd. On 17 March 2025, our Company was converted into a public limited company and adopted our present name.

Our Group structure as at LPD is as follows:



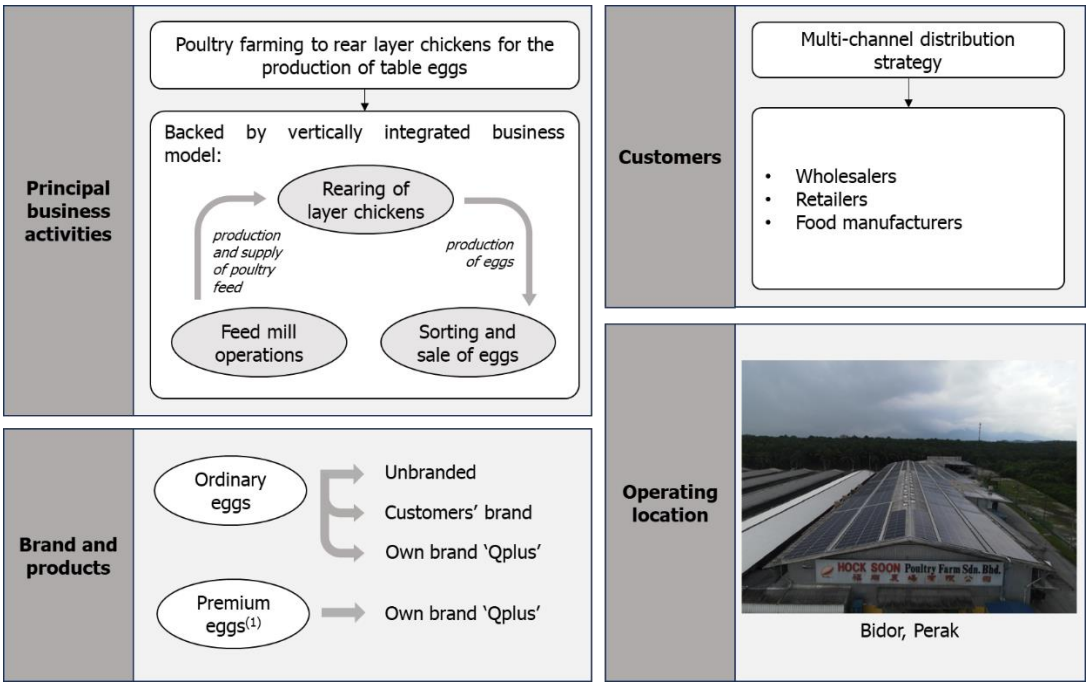
Note:

(1) The remaining 30% equity interest in Al-Kauthar Trading is held by Mohamad Harasul Bin Harith Fadzilah. He is a director of Al-Kauthar Trading. He is responsible for the sales activities of Al-Kauthar Trading.

Further details of our Group structure are set out in Section 6.3.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in poultry farming, whereby we rear layer chickens for the production and sale of table eggs.

Our Group's business model is as follows:



Note:

(1) Mainly comprises premium eggs labelled under our house-brand 'QPlus'. We also sell premium eggs labelled under a Hong Kong customer's brand.

Further details of our Group and our business model are set out in Sections 6 and 7.

2. PROSPECTUS SUMMARY *(Cont'd)*

The breakdown of our Group's revenue segmentation by principal business activities for FYE 2022 to FYE 2024 are as follows:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Table eggs	**125,412**	**93.5**	**139,232**	**95.2**	**143,798**	**95.0**
Ordinary eggs	125,412	93.5	130,378	89.2	137,539	90.9
Unbranded[1]	107,398	80.0	112,564	77.0	121,011	80.0
Customers' brand	11,849	8.9	8,564	5.9	10,472	6.9
Own brand	6,165	4.6	9,250	6.3	6,056	4.0
Premium eggs[2]	-	-	8,854	6.0	6,259	4.1
Others[3]	**8,766**	**6.5**	**7,019**	**4.8**	**7,579**	**5.0**
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**

Notes:

(1) Includes soiled, spotted, cracked or broken eggs that are sold in the form of liquid eggs in bags.

(2) Comprise premium eggs labeled under our house-brand 'QPlus' and under a Hong Kong customer's brand. Sale of premium eggs under the Hong Kong customer's brand amounted to RM1.0 million for both FYE 2023 and 2024.

(3) Comprises revenue generated from the sale of spent chickens, chicken manure, raw materials, scrap materials and handling charges.

The breakdown of our Group's revenue segmentation by geographical region[1] is as follows:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Malaysia	**129,240**	**96.3**	**144,572**	**98.9**	**150,191**	**99.2**
Central[2]	78,655	58.6	91,708	62.7	103,329	68.2
Northern[3]	42,975	32.0	47,964	32.8	39,495	26.1
Southern[4]	6,461	4.8	4,157	2.9	6,462	4.3
Eastern[5]	1,149	0.9	743	0.5	905	0.6
Overseas	**4,938**	**3.7**	**1,679**	**1.1**	**1,186**	**0.8**
Hong Kong	4,938	3.7	1,679	1.1	1,186	0.8
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**

Notes:

(1) The classification of our revenue by geographical region is based on the locations of our customers.

(2) Central region comprises Selangor, Kuala Lumpur and Putrajaya.

(3) Northern region comprises Perlis, Kedah, Penang and Perak.

(4) Southern region comprises Negeri Sembilan, Malacca and Johor.

(5) Eastern region comprises Pahang, Kelantan and Terengganu.

Further details on the breakdown of our revenue are set out in Section 12.2.2.

Since the commencement of our poultry farming business in 1979, we have successfully expanded our poultry farming operations in our Bidor Integrated Farm. As at LPD, we have 26 and 7 closed-house chicken coops for mature hens and pullets respectively, with a capacity to accommodate 1,740,864 mature hens and 486,912 pullets respectively. As at LPD, our egg production capacity stood at approximately 1,480,000 eggs per day.

2.3 INTERRUPTIONS IN BUSINESS

Our Group did not experience any material interruptions which had a significant effect on our operations during the past 12 months preceding the LPD.

2.4 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

(a) Our Group has been involved in the layer poultry industry spanning approximately 46 years. Over the years, we have scaled up our business by enhancing our operational efficiencies through the transition from traditional open-house chicken coops to closed-house chicken coops whereby we have automated various functions such as feeding, egg collection and manure disposal processes; as well as through the automation of our egg grading and sorting process;

(b) Our business operations are largely automated which have contributed to greater operational efficiency in our poultry farming operations and simultaneously reduce reliance on human labour, which translates to improved accuracy and reliability, as well as cost savings for our Group;

(c) We possess a vertically integrated business model which enables us to better control the cost and quality of our poultry feed and table eggs. It also enables us to control the raw materials and ingredients used in the production of poultry feed, as well as our operational cost in running our poultry farming business;

(d) Our business is resilient to economic downturns as eggs are staple foods widely consumed by individuals as well as in the F&B business. Further, our business demonstrates sustainability, and we are well-positioned for future growth leveraging on the continuous demand for food and the need to strengthen food security in the country; and

(e) Our Group is led by our Executive Directors and experienced and technically skilled management team that has accumulated years of industry experience and in-depth knowledge of our business operations. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand.

Further details of our competitive strengths are set out in Section 7.17.

2.5 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 60 months from the date of our Listing:

(a) We intend to expand our poultry farming business by setting up a new poultry farm at the Teluk Intan Lands. We intend to gradually set up 25 closed-house chicken coops at the new poultry farm at the Teluk Intan Lands. Upon completion of this new poultry farm, our Group's total egg production capacity is expected to increase. Further, we intend to set up 2 egg grading and sorting lines with a grading and sorting capacity of 96,000 eggs per hour, as well as to expand our feed mill operations at our Bidor Integrated Farm to support the increased consumption of poultry feed arising from the expansion of the chicken coops at the Teluk Intan Lands;

(b) We intend to actively expand our customer base by making our products more accessible to consumers through strengthening our distribution network and establishing more distribution channels in more wet markets, mini markets, sundry shops and grocery chain-stores. As we continue to expand our customer base, our financial performance is expected to improve in tandem, and we will be able to increase our exposure to attract consumers in purchasing our eggs, thereby strengthening our market position in the layer poultry industry; and

(c) Leveraging on our established presence and success as well as approximately 46 years of operational experience in Malaysia, we believe that we are ready to take a leap to expand our sales to Singapore.

Further details of our business strategies and future plans are set out in Section 7.18.

2.6 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

(a) We are exposed to outbreaks of poultry livestock infections and diseases, which could adversely affect our business operations and financial performance at our Bidor Integrated Farm;

(b) We may not be able to sustain our financial performance and profitability following the removal of price controls and subsidies of ordinary eggs by the Government. Our financial performance may be affected in view of the absence of egg subsidies and the fluctuation in egg prices if we are unable to raise egg prices to recover our profitability;

(c) Any material fluctuations in the prices of raw materials and ingredients particularly commodity products used in the production of our in-house poultry feed (e.g. maize, soybean meal, wheat, pollard and sunflower meal) may affect our profitability if we are unable to adjust the price of our table eggs to reflect the increase in costs;

(d) Our business is exposed to various operational risks including fire, natural disasters, equipment failures, outbreak of infectious diseases and power outage, which may be beyond our control and may lead to interruptions to our operations. In the event that we have to temporarily halt our business operations due to the abovementioned incidences, our Group's operations and financial performance may be adversely affected;

(e) We are exposed to the risks of product contamination, which may result in product liability claims and regulatory actions. As an egg producer, our tables eggs are subject to various hygiene and food safety standards. Any contamination in our table eggs could render them unsafe for consumption, which will have an adverse impact on our reputation and may also expose us to financial losses arising from product liability claims from consumers. This may also prompt inspections or regulatory actions by authorities, potentially resulting in monetary fines and/ or the temporary closure of our operations for cleaning and sanitation, which could materially and adversely affect our business operations and financial performance;

(f) We are dependent on our key management team for continued success and growth of our business. Any significant or sudden loss of the services of our Executive Directors and/or key senior management without suitable replacement in a timely manner, or our inability to attract and retain qualified and competent personnel, may have an adverse impact on our Group's business operations and may eventually affect our ability to maintain and/ or improve our business performance;

(g) We are exposed to the risk of supplier concentration for the supply of raw materials and ingredients, as well as day-old-chicks. In the event that any supplier ceases the supply of raw materials and ingredients as well as day-old-chicks to our Group and we are unable to secure new suppliers in a timely manner and/or on commercially acceptable terms, our poultry feed and egg production may be disrupted, and thus materially and adversely affect our business operations and financial performance;

(h) We rely on certain licences, permits and approvals. Any such failure to secure renewal or obtain the required licences, permits or approvals would adversely affect our financial performance, results of operations and prospects; and

(i) We are indirectly exposed to foreign exchange fluctuation risks which may impact the profitability of our Group as the raw materials and ingredients used for the production of poultry feed are generally imported by our local suppliers.

Further details of our risk factors are set out in Section 9.

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Datuk Seri Nurmala Binti Abd Rahim	Independent Non-Executive Chairperson
Ong Boon Leng	Managing Director
Lim Suk Gen	Executive Director
Ong Keat Qian	Executive Director
Ong Keat Hoe	Executive Director
Pook Kim Nyean	Independent Non-Executive Director
Chang Lih Yik	Independent Non-Executive Director
Tan Phaik Yen	Independent Non-Executive Director
Key senior management	
Choong Chyan Leong	Chief Financial Officer
Lee Swet Mei	Head of Sales
Dr. Sharifah Nurul Hanim Binti Sy Ibrahim	Veterinarian

Further details of our Directors and key senior management are set out in Section 5.

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after the Share Transfer and IPO are set out below:

Name	Place of incorporation/ Nationality	Before Share Transfer and IPO				After Share Transfer and IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Ong Legacy	Malaysia	-	-	-	-	350,000,000	70.0	-	-
Ong Boon Leng	Malaysian	255,636,700	63.9	-	-	-	-	(3)350,000,000	70.0
Lim Suk Gen	Malaysian	64,363,300	16.1	-	-	-	-	(3)350,000,000	70.0
Ong Keat Qian	Malaysian	40,000,000	10.0	-	-	-	-	(3)350,000,000	70.0
Ong Keat Hoe	Malaysian	40,000,000	10.0	-	-	-	-	(3)350,000,000	70.0

Notes:

(1) Based on our share capital of 400,000,000 Shares after Acquisition of Hock Soon Poultry Farm but before IPO.

(2) Based on our enlarged share capital of 500,000,000 Shares after IPO.

(3) Deemed interested by virtue of their shareholdings in Ong Legacy pursuant to Section 8(4) of the Act.

Further details of our Promoters and substantial shareholders are set out in Section 5.

2.9 UTILISATION OF PROCEEDS

The estimated gross proceeds from our Public Issue of RM[●] million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	RM'000	%	[1]Estimated timeframe for utilisation
Establishment of new poultry farm at the Teluk Intan Lands	[●]	[●]	Within 60 months
Estimated listing expenses	[●]	[●]	Within 1 month
	[●]	**100.0**	

Note:

(1) From the date of our Listing.

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM[●] million shall accrue entirely to the Selling Shareholders.

2.10 FINANCIAL HIGHLIGHTS

2.10.1 Consolidated statement of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our consolidated statement of profit or loss and other comprehensive income for FYE 2022 to 2024:

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Revenue[1]	134,178	146,251	151,377
GP	23,373	41,126	58,828
PAT	14,545	34,243	40,743
GP margin (%)[2]	17.4	28.1	38.9
PAT margin (%)[3]	10.8	23.4	26.9
Basic EPS (sen)[4]	3.6	8.6	10.2
Diluted EPS (sen)[5]	2.9	6.8	8.1
Results after adjusting for government subsidies			
Government subsidies received[6]	7,254	20,971	32,079
Adjusted GP	16,119	20,155	26,749
Adjusted PAT	9,032	18,305	16,363
Adjusted GP margin (%)[6]	12.0	13.8	17.7
Adjusted PAT margin (%)[6]	6.7	12.5	10.8
Results after adjusting for government subsidies and fair value gain on biological assets			
Gain on change in fair value of biological assets[7]	2,525	17,417	5,763
Adjusted PAT[7]	7,113	5,068	11,983
Adjusted PAT margin (%)[7]	5.3	3.5	7.9

2. PROSPECTUS SUMMARY *(Cont'd)*

Notes:

(1) The sales volume and average selling price by type of eggs are as follows:

	FYE 2022	FYE 2023	FYE 2024
Table eggs			
Volume sold (eggs)	**351,363,605**	**365,879,264**	**394,860,539**
- ordinary eggs	351,363,605	351,034,239	384,475,599
- premium eggs	-	14,845,025	10,384,940
Average selling price (RM/egg)[a]	**0.36**	**0.38**	**0.36**
- ordinary eggs[b]	0.36	0.37	0.36
- premium eggs[b]	-	0.60	0.60

Notes:

(a) The average selling prices were computed based on the revenue from sales of table eggs divided by the sales volume of eggs for each financial year.

(b) The average selling prices were computed based on the revenue from sales of ordinary eggs or premium eggs divided by the sales volume of ordinary eggs or premium eggs for each financial year.

(2) GP margin is calculated based on GP divided by revenue.

(3) PAT margin is calculated based on PAT divided by revenue.

(4) Basic EPS is calculated based on PAT divided by enlarged share capital of 400,000,000 Shares before our IPO.

(5) Diluted EPS is calculated based on PAT divided by enlarged share capital of 500,000,000 Shares after our IPO.

(6) To retain the price control on eggs without compromising the profitability of egg producers in Malaysia, the Government has vide the DVS introduced a provision of subsidies to egg producers. Our Group recognised the subsidies on a receipt basis and offsets them with the cost of sales for each financial year. Further details are disclosed in Sections 12.1.1, 12.2.1(l)(i), 12.2.2(b) and 12.2.3 on the effect of excluding government subsidies while price control retained for our financial results for FYE 2022 to 2024. The adjusted margins are for illustration, assuming that government subsidies are removed but price control is retained.

(7) Our biological assets comprise pullets and layers that are measured at fair value less cost to sell. Changes in fair value of the pullets and layers are recognised in profit or loss. Further details are disclosed in Sections 12.1.2, 12.2.1(l)(iv) and 12.2.2(c). The adjusted margins are for illustration, excluding the effects of the gains in fair value.

There were no exceptional or extraordinary items during FYE 2022 to 2024. In addition, the audited financial statements of our Group for FYE 2022 to 2024 were not subject to any audit qualifications. Further details on our financial information are set out in Sections 12 and 13.

2. PROSPECTUS SUMMARY *(Cont'd)*

2.10.2 Pro forma consolidated statement of financial position

The following table sets out a summary of the pro forma consolidated statement of financial position of our Group based on our consolidated statement of financial position as at 30 September 2024 to show the effects of the adjustment for subsequent events, Acquisition of Hock Soon Poultry Farm, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma consolidated statement of financial position as set out in Section 14.

	Audited	**I**	**II**	**III**
	As at 30 September 2024	**[(1)]After adjustment for subsequent events**	**After I and Acquisition of Hock Soon Poultry Farm**	**After II, Public Issue and utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Total non-current assets	45,609	56,134	56,134	56,134
Total current assets	126,766	82,681	82,681	[●]
TOTAL ASSETS	**172,375**	**138,815**	**138,815**	**[●]**
Share capital	9,261	9,261	102,600	[●]
Merger reserve	-	-	(93,339)	(93,339)
Fair value reserve	2,940	2,940	2,940	2,940
Retained earnings	133,390	90,390	90,390	[●]
Equity attributable to owners of the Company	**145,591**	**102,591**	**102,591**	**[●]**
Non-controlling interests	30	30	30	30
TOTAL EQUITY	**145,621**	**102,621**	**102,621**	**[●]**
Total non-current liabilities	15,996	24,971	24,971	24,971
Total current liabilities	10,758	11,223	11,223	11,223
TOTAL LIABILITIES	**26,754**	**36,194**	**36,194**	**36,194**
TOTAL EQUITY AND LIABILITIES	**172,375**	**138,815**	**138,815**	**[●]**
No. of Shares in issue ('000)	9,156	9,156	400,000	500,000
NA per Share (RM)	15.9	11.2	0.3	[●]
Borrowings (excluding lease liabilities)	5,274	14,714	14,714	14,714
Gearing (times)	0.04	0.14	0.14	[●]

Note:

(1) Being adjustment for the dividend paid of RM43.0 million, as set out in Sections 2.11 and 12.14 as well as acquisition of the Teluk Intan Lands, which was completed on 27 February 2025 pursuant to the sale and purchase agreements dated 23 December 2024 as set out in Sections 6.5(g) and (h).

2.10.3 Recent developments subsequent to track record period

As announced by the Ministry of Agriculture and Food Security on 30 April 2025, the egg subsidy for ordinary eggs were reduced from RM0.10 to RM0.05 and the price control was removed effective 1 May 2025. Further, the Government has fully removed the egg subsidy effective 1 August 2025. Consequently, the price of our ordinary eggs is expected to follow market rates based on supply and demand conditions which would result in egg prices becoming more competitive. Despite the potential increase in the pricing of our ordinary eggs, we are unlikely to experience a decrease in consumer demand as eggs are staple foods widely consumed by individuals as well as in the F&B business. Please refer to Sections 7.3 and 9.1.2 for further details on the pricing and government subsidies as well as risk arising from the fluctuation in egg prices following the removal of price control and subsidies by the Government respectively. For information, we received RM7.3 million, RM21.0 million and RM32.1 million representing 50.3%, 61.4% and 78.9% of our PAT for FYE 2022 to FYE 2024 respectively. Please refer to Section 12.1 for further information on the contribution of subsidies to our financial performance.

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

	FYE 2022	FYE 2023	FYE 2024	1 October 2024 up to LPD
	RM'000	RM'000	RM'000	RM'000
Dividends declared and paid	-	1,000	63,750	43,000

The above dividends were funded via internally generated cash. The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the gross proceeds from our Public Issue, we believe that we have sufficient cash from operations and bank borrowings to fund our operations and expansion plans.

Further to the above, we have no intention to declare and pay any dividends subsequent to LPD, up to the completion of our Listing. Further details of our dividend policy are set out in Section 12.14.

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3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 SC

The SC had, vide its letter dated [●], approved our IPO and our Listing under Section 214(1) of the CMSA, subject to compliance with the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	[●]	[●]
(b)	[●]	[●]
(c)	[●]	[●]

The SC had also, vide its letter dated [•], approved our application under the Bumiputera equity requirements for public listed companies pursuant to our Listing. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	[●]	[●]

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3. APPROVALS AND CONDITIONS *(Cont'd)*

3.1.1 Bursa Securities

Bursa Securities had, vide its letter dated [•], approved our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital on the Main Market. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	[•]	[•]
(b)	[•]	[•]
(c)	[•]	[•]

3.1.3 MITI approval

The MITI had, vide its letter dated [•], taken note and has no objection to our Listing.

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3. APPROVALS AND CONDITIONS *(Cont'd)*

3.2 MORATORIUM ON OUR SHARES

Pursuant to the Share Transfer, Ong Legacy will receive 350,000,000 Shares. Pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines, our Moratorium Shareholder, Ong Legacy will not be allowed to sell, transfer or assign its entire shareholdings in our Company for a period of 6 months from the date of our Listing ("**Moratorium Period**").

Details of our Moratorium Shareholders, and their Shares which will be subject to the abovesaid moratorium, are set out below:

	Direct		Indirect	
Moratorium Shareholders	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**
Ong Legacy	350,000,000	70.0	-	-
Ong Boon Leng	-	-	(2)350,000,000	70.0
Lim Suk Gen	-	-	(2)350,000,000	70.0
Ong Keat Qian	-	-	(2)350,000,000	70.0
Ong Keat Hoe	-	-	(2)350,000,000	70.0

Notes:

(1) Based on our enlarged share capital of 500,000,000 Shares after our IPO.

(2) Deemed interested by virtue of their shareholdings in Ong Legacy pursuant to Section 8(4) of the Act.

The moratorium has been fully accepted by our Moratorium Shareholder, Ong Legacy, who has provided written undertaking that it will not sell, transfer or assign its shareholdings in our Company during the Moratorium Period, in accordance with the Equity Guidelines.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by our Moratorium Shareholder, Ong Legacy, to ensure that our Share Registrar does not register any sale, transfer and assignment that contravenes with such restrictions.

In addition, pursuant to Paragraph 5.30, Part II of the Equity Guidelines, the shareholders of Ong Legacy, namely Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe, all of whom are our Promoters and substantial shareholders, have also provided their written undertakings not to sell, transfer or assign their shareholdings in Ong Legacy during the Moratorium Period.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on [•] and will remain open until 5.00 p.m. on [•]. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	[•]
Closing of Application	[•]
Balloting of Application	[•]
Allotment of IPO Shares to successful applicants	[•]
Date of Listing	[•]

In the event there is any change to the indicative timetable, we will advertise the notice of change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia, and make an announcement on Bursa Securities' website.

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 100,000,000 Issue Shares, representing 20.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

25,000,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 12,500,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to public investors; and

(bb) 12,500,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to Bumiputera public investors.

(ii) Eligible Persons

12,500,000 Issue Shares, representing 2.5% of our enlarged share capital, are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(iii) Private placement to Bumiputera investors approved by MITI

62,500,000 Issue Shares, representing 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

4. DETAILS OF OUR IPO *(Cont'd)*

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

Upon completion of our Public Issue, our share capital will increase from RM102.6 million comprising 400,000,000 Shares to RM[●] million comprising 500,000,000 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

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4. DETAILS OF OUR IPO *(Cont'd)*

(b) Offer for Sale

A total of 50,000,000 Offer Shares, representing 10.0% of our enlarged share capital, are offered by our Selling Shareholders to selected investors by way of private placement at our IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus. The details of our Selling Shareholders and their relationship with our Group are as follows:

Name/ Address	Relationship with our Group	Before Share Transfer and IPO		Offer Shares offered			After Share Transfer and IPO	
		No. of Shares	(1)%	No. of Shares	(1)%	(2)%	No. of Shares	(2)%
Ong Boon Leng/ 2, Jalan Kenyalang 11/6A PJU 5, Kota Damansara 47810 Petaling Jaya Selangor	Promoter, substantial shareholder and Managing Director	255,636,700	63.9	31,954,000	8.0	6.4	(3)-	-
Lim Suk Gen/ 2, Jalan Kenyalang 11/6A PJU 5, Kota Damansara 47810 Petaling Jaya Selangor	Promoter, substantial shareholder and Executive Director	64,363,300	16.1	8,046,000	2.0	1.6	(3)-	-
Ong Keat Qian/ 2, Jalan Kenyalang 11/6A PJU 5, Kota Damansara 47810 Petaling Jaya Selangor	Promoter, substantial shareholder and Executive Director	40,000,000	10.0	5,000,000	1.3	1.0	(3)-	-
Ong Keat Hoe/ 47, Jalan PJU 3/16B Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor	Promoter, substantial shareholder and Executive Director	40,000,000	10.0	5,000,000	1.3	1.0	(3)-	-

4. DETAILS OF OUR IPO *(Cont'd)*

Notes:

(1) Based on our share capital of 400,000,000 Shares before IPO.

(2) Based on our enlarged share capital of 500,000,000 Shares after IPO.

(3) Our Selling Shareholders will transfer a total of 350,000,000 Shares to Ong Legacy under the Share Transfer and sell their remaining 50,000,000 Shares under the Offer for Sale.

Further details of our Selling Shareholders, who are also our Promoters and substantial shareholders are set out in Section 5.

(c) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM[●] million comprising 500,000,000 Shares shall be listed on the Main Market.

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4.3.2 Pink Form Allocations

We have allocated 12,500,000 Issue Shares under the Pink Form Allocations to our Eligible Persons as follows:

Category	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Eligible Directors	2	120,000
Eligible employees	[•]	495,000
Persons who have contributed to the success of our Group	[•]	11,885,000
	[•]	**12,500,000**

Entitlements which are not accepted by certain Eligible Persons will be re-allocated among the Eligible Persons at the discretion of our Board.

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors (as approved by our Board, wherein the interested Directors have abstained from deliberation on their respective allocation) are based on amongst others their present and anticipated contribution to our Group.

Ong Boon Leng (our Managing Director), Lim Suk Gen (our Executive Director), Ong Keat Qian (our Executive Director) and Ong Keat Hoe (our Executive Director) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders and will be undertaking the Offer for Sale. Further, Datuk Seri Nurmala Binti Abd Rahim and Tan Phaik Yen, our Independent Non-Executive Directors, have opted not to participate in our Pink Form Allocations.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Pook Kim Nyean	Independent Non-Executive Director	20,000
Chang Lih Yik	Independent Non-Executive Director	100,000
		120,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

(i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;

(ii) The number of shares allocated to our eligible employees are based on their seniority, position, length of service and respective contribution made to our Group as well as other factors deemed relevant to our Board; and

(iii) Full time employee of at least 18 years of age.

Details of the proposed allocation to our key senior management are as follows:

Name	Designation	No. of Issue Shares allocated
Choong Chyan Leong	Chief Financial Officer	160,000
Lee Swet Mei	Head of Sales	25,000
Dr. Sharifah Nurul Hanim Binti Sy Ibrahim	Veterinarian	10,000
		195,000

(c) Allocation to persons who have contributed to the success of our Group

Persons who have contributed to the success of our Group include business associates, customers and suppliers.

The number of Issue Shares to be allotted to those persons who have contributed to the success of our Group are based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group.

4.3.3 Placement and underwriting arrangement

Our Underwriter will underwrite 37,500,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 62,500,000 Issue Shares and 50,000,000 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will not be underwritten and will be placed out by our Placement Agent.

Any of our Issue Shares not subscribed by the Malaysian Public and Pink Form Allocations shall be subject to the following clawback and reallocation provisions:

(a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated for excess application by the Eligible Persons (subject always that public spread requirements are met). Likewise, any Issue Shares which are not taken up by the Eligible Persons, will be allocated to the Malaysian Public in the event of an oversubscription.

(b) After (a) above, the remaining portion will be made available for application by way of private placement to selected investors to be identified.

(c) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms and conditions of the Underwriting Agreement.

The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Such Issue Shares shall be subject to the following clawback and reallocation provisions:

(a) Any unsubscribed Issue Shares allocated to Bumiputera investors approved by MITI shall firstly be reallocated to Bumiputera public investors via public balloting. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Malaysian institutional investors.

(b) After (a) above, the remaining portion will be made available for:

(i) Malaysian Public, in the event of an oversubscription; or

(ii) application by way of private placement to selected investors to be identified,

the proportion of which will be determined by our Board and Placement Agent.

The clawback and reallocation shall not apply in the event of oversubscription of the Issue Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to Bumiputera investors approved by MITI. Our Board will ensure that any excess IPO Shares will be allocated in a fair and equitable manner.

4.3.4 Minimum and oversubscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an oversubscription, acceptance of Applications by the Malaysian Public shall be subject to balloting to be conducted in a manner approved by our Directors. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 1,000 public shareholders, each holding not less than 100 Shares upon our admission to the Main Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the Main Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

As at LPD, save as disclosed in Section 4.3.2, to the extent known to our Company:

(a) there are no substantial shareholder(s), Directors or key senior management of our Group who have indicated to our Company that they intend to subscribe for our IPO Shares; and

(b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of our IPO Shares.

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4. DETAILS OF OUR IPO *(Cont'd)*

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

Upon completion of our IPO, our share capital would be as follows:

Details	No. of Shares	(1)RM
Share capital		
As at date of incorporation	1	1
Issued pursuant to the Acquisition of Hock Soon Poultry Farm	399,999,999	102,600,000
As at date of this Prospectus	400,000,000	102,600,001
To be issued under our Public Issue	100,000,000	[●]
Enlarged share capital upon our Listing	**500,000,000**	**[●]**

Note:

(1) Prior to the capitalisation of estimated listing expenses of approximately RM[●] million, being the listing expenses that are directly attributable to new issuance of Shares, which will be capitalised against the share capital of our Group.

Our Offer for Sale will not have any effect on our share capital.

As at date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. On a poll, every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

(a) To enable our Group to raise funds for the purposes specified in Section 4.9.1 herein;

(b) To gain recognition through our listing status to enhance our reputation in terms of marketing our products and to retain and attract new and skilled employees;

(c) To provide an opportunity for the Malaysian Public, including our Eligible Persons, to participate in our equity; and

(d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:

(a) Our pro forma NA per Share of RM[●], calculated based on our pro forma NA after our IPO and utilisation of proceeds as at 30 September 2024 of approximately RM[●] million and enlarged share capital of 500,000,000 Shares upon Listing;

(b) The PE Multiple of our IPO Price of [●] times, calculated based on our PAT attributable to owners of our Group for FYE 2024 of RM40.7 million and market capitalisation of RM[●] million upon Listing.

For illustration purpose only, after excluding the government subsidies (net of tax) of RM24.4 million, our PAT attributable to owners of our Group for FYE 2024 is RM16.4 million. In this regard, the PE Multiple of our IPO Price is [●] times based on the aforementioned PAT attributable to owners of our Group for FYE 2024 and market capitalisation of RM[●] million upon Listing. Please refer to Section 12 for further details on our adjusted GP, PBT, PAT and its related margins for FYE 2022 to 2024;

(c) Our historical financial track record as follows:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Revenue	134,178	146,251	151,377
GP	23,373	41,126	58,828
PAT attributable to the owners of our Group	14,545	34,243	40,743

(d) Our competitive strengths as set out in Section 7.17; and

(e) Our business strategies and prospects as set out in Section 7.18.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 500,000,000 Shares upon Listing, our total market capitalisation will be RM[●] million.

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	[●]
Pro forma NA per Share as at 30 September 2024 after the declaration of dividend of RM43.0 million and Acquisition of Hock Soon Poultry Farm but before Public Issue	0.26
Pro forma NA per Share as at 30 September 2024 after Acquisition of Hock Soon Poultry Farm, Public Issue and utilisation of proceeds	[●]
Increase in pro forma NA per Share attributable to existing shareholders	[●]
Dilution in pro forma NA per Share to our new public investors pursuant to our IPO	[●]
Dilution in pro forma NA per Share as a percentage of our IPO Price	[●]%

Further details of our pro forma NA per Share as at 30 September 2024 is set out in Section 14.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	(1)No. of Shares received	(2)Total consideration	Average effective cost per Share
		RM	RM
Ong Boon Leng	255,636,700	65,570,814	0.2565
Lim Suk Gen	64,363,300	16,509,186	0.2565
Ong Keat Qian	40,000,000	10,260,000	0.2565
Ong Keat Hoe	40,000,000	10,260,000	0.2565
	400,000,000	**102,600,000**	

Notes:

(1) Issued under the Acquisition of Hock Soon Poultry Farm and including 1 subscriber's Share.

(2) Being the consideration for the Acquisition of Hock Soon Poultry Farm and including 1 subscriber's Share.

Save as disclosed above and the Pink Form Allocations to our eligible Directors and key senior management, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4.9 UTILISATION OF PROCEEDS

4.9.1 Public Issue

The estimated gross proceeds from our Public Issue of RM[●] million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	[(1)]Estimated timeframe for utilisation
Establishment of new poultry farm at the Teluk Intan Lands	(a)	[●]	[●]	Within 60 months
Estimated listing expenses	(b)	[●]	[●]	Within 1 month
Total		**[●]**	**100.0**	

Note:

(1) From the date of our Listing.

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions. The interest, income and/ or dividend to be received from placement of the proceeds in short-term deposits with financial institutions shall be utilised for our Group's working capital requirements.

(a) Establishment of a new poultry farm

As at LPD, we have a poultry farm on 4 parcels of contiguous land in Bidor, Perak, measuring approximately 28.2 Ha i.e. the Bidor Integrated Farm, where we operate 26 and 7 closed-house chicken coops for mature hens and pullets respectively, with a capacity to accommodate 1,740,864 mature hens and 486,912 pullets respectively. With a total of 26 closed-house chicken coops for mature hens, our egg production capacity is at approximately 1,480,000 eggs per day. For FYE 2022 to 2024, we recorded egg production rates of 87.9%, 88.4% and 89.7% respectively. Please refer to Section 7.2.1(a) for further details.

With our Group's continued business growth and expansion, we intend to allocate RM[●] million, representing [●]% of the gross proceeds from our Public Issue, to establish a new poultry farm on 3 plots of adjacent land in Teluk Intan, Perak measuring approximately 21.3 Ha i.e. the Teluk Intan Lands, which were acquired by our Group in December 2024 for a total cash consideration of RM10.5 million satisfied via our Group's internally generated funds. Further details of the said land are set out in Sections 6.5(g) and (h).

This new poultry farm will comprise 25 closed-house chicken coops with higher egg production capacity than our Group's existing closed-house chicken coops. 5 of the new closed-house chicken coops are for pullets and the remaining 20 are for mature hens. This new poultry farm will also be equipped with automation systems, monitoring and control systems, and a central grading and sorting station. With the new poultry farm, our Group is also expected to expand our existing feed mill in the Bidor Integrated Farm to supply feed to the new poultry farm on the Teluk Intan Lands, of which the expansion of feed mill will be funded through bank borrowings and/ or internally generated funds, the proportion of which will be dependent on our Group's cash flow position and gearing position at the time. Please refer to Section 7.18.1 for further details on the expansion of our existing feed mill. Upon completion of this new poultry farm, our total egg production capacity is expected to increase by approximately 1,534,000 eggs per day, in addition to our current production of 1,480,000 eggs per day as at LPD, which represents an increase of approximately 103.6%.

The total estimated setup cost of the new poultry farm located at the Teluk Intan Lands is approximately RM[●] million, of which RM[●] million will be funded from the gross proceeds to be raised from our Public Issue and the remaining RM[●] million will be funded through bank borrowings and/ or internally generated funds.

The breakdown of the cost for setting up our new poultry farm at the Teluk Intan Lands are as follows:

Description	Estimated cost RM'000
Construction costs of 25 closed-house chicken coops	[●]
Purchase and installation of equipment for 20 closed-house chicken coops for mature hens(1)	[●]
Purchase and installation of equipment for 5 closed-house chicken coops for pullets(1)	[●]
Purchase and installation of equipment for the central egg grading and sorting station	[●]
Total	**[●]**

Note:

(1) Comprise the necessary equipment for closed-house chicken coops, including automation systems as well as monitoring and control systems similar to the chicken coops at our Bidor Integrated Farm.

The construction cost of the new poultry farm at the Teluk Intan Lands was estimated based on (i) fee estimation by our professional consultants and (ii) the historical costs of establishing our Bidor Integrated Farm, which primarily comprises construction cost and cost to purchase and install machinery and equipment.

We had on 10 March 2025 submitted the building plan of the new poultry farm to be established at the Teluk Intan Lands to the local council and the approved building plan is expected to be obtained within 6 months from submission. Thereafter, we will mobilise and commence the construction of closed-house chicken coops at the Teluk Intan Lands and the construction works of each closed-house chicken coop takes approximately 3 months. The construction works and operations of 25 closed-house chicken coops will progressively commence within the estimated timeframe of 60 months from the date of our Listing, with a tentative timeline for each milestone as follows:

Timeline from date of Listing (T)(1)	Number of chicken coops to be constructed and commenced operations		Estimated cost incurred (RM'000)	Estimated daily egg production capacity	Estimated cumulative daily egg production capacity
	Pullets	Mature hens			
T + 6 months	1	1	(2)[●]	76,700	76,700
T + 12 months	-	3	[●]	230,100	306,800
T + 18 months	1	2	[●]	153,400	460,200
T + 24 months	-	2	[●]	153,400	613,600
T + 30 months	1	2	(2)[●]	153,400	767,000
T + 36 months	-	2	[●]	153,400	920,400
T + 42 months	1	2	[●]	153,400	1,073,800
T + 48 months	-	2	[●]	153,400	1,227,200
T + 54 months	1	2	[●]	153,400	1,380,600
T + 60 months	-	2	[●]	153,400	1,534,000
Total	**5**	**20**	**[●]**	**1,534,000**	

Notes:

(1) Refers to a tentative progressive timeline for the construction of 25 chicken coops across an estimated timeframe of 60 months, whereby the timeline is subject to change, mainly depending on the prevailing market conditions (i.e. supply and demand conditions). For instance, in the event of market oversupply, we may slow down our plan and adjust the construction timeline accordingly. For other possible factors that may affect the abovementioned timeline, please refer to Section 9.1.14 for further details.

(2) Includes the purchase and installation of equipment for the central egg grading and sorting station of RM[●] million scheduled for T + 6 months and RM[●] million at T + 30 months.

Upon completion of construction works for each closed-house chicken coop, we will apply for the CCC and fire certificate from the Fire and Rescue Department of Malaysia, both of which are expected to be obtained within 6 months from the respective date of completion of construction.

Subsequently, we will purchase, install and perform testing and commissioning on the equipment and machinery for each closed-house chicken coop before commencement of its operations. We target to complete the construction of 4 closed-house chicken coops in year 2026 and gradually complete the remainder over another 4 years.

Further details of the establishment of new poultry farm at the Teluk Intan Lands are set out in Section 7.18.1.

In the event we commence construction for the new poultry farm prior to our Listing, we will fund the establishment cost for the new poultry farm using our internally generated funds. Upon completion of our Listing, we will replenish our internally generated funds from the earmarked proceeds of the Public Issue.

(b) Estimated listing expenses

An amount of RM[●] million, representing [●]% of the gross proceeds from our Public Issue, is allocated to meet the estimated cost of our Listing, details of which are as follows:

Estimated listing expenses	RM'000
Professional fees(1)	[●]
Underwriting, placement and brokerage fees	[●]
Fees payable to authorities	[●]
Printing and contingencies(2)	[●]
	[●]

Notes:

(1) Includes advisory/ professional fees for, amongst others, our Adviser, solicitors, reporting accountants, IMR, internal control reviewer and Issuing House.

(2) Other incidental or related expenses in connection with our IPO.

In the event that there is any shortfall in the earmarked amount for the establishment of new poultry farm, such shortfall will be funded through internally generated funds and/ or bank borrowings. Conversely, if there is any surplus in the earmarked amount for the establishment of new poultry farm, such surplus will be used as our Group's general working capital. Upon completion of our Listing, where applicable and required under the Listing Requirements, we will seek shareholders' approval for any material variation to the intended utilisation of proceeds.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM[●] million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM[•] million.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or Issuing House.

4.10.2 Placement fees

Our Placement Agent will place out a total of 62,500,000 Issue Shares and 50,000,000 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of [•]% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of [•]% of the value of those Offer Shares placed out by our Placement Agent will be paid by our Selling Shareholders.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 37,500,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of [•]% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 37,500,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement are as follows:

[•]

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the Main Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after Share Transfer and our IPO are set out below:

Name	Place of incorporation/ Nationality	Before Share Transfer and IPO				After Share Transfer and IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Ong Legacy	Malaysia	-	-	-	-	350,000,000	70.0	-	-
Ong Boon Leng	Malaysian	255,636,700	63.9	-	-	-	-	(3)350,000,000	70.0
Lim Suk Gen	Malaysian	64,363,300	16.1	-	-	-	-	(3)350,000,000	70.0
Ong Keat Qian	Malaysian	40,000,000	10.0	-	-	-	-	(3)350,000,000	70.0
Ong Keat Hoe	Malaysian	40,000,000	10.0	-	-	-	-	(3)350,000,000	70.0

Notes:

(1) Based on our share capital of 400,000,000 Shares after Acquisition of Hock Soon Poultry Farm but before IPO.

(2) Based on our enlarged share capital of 500,000,000 Shares after IPO.

(3) Deemed interested by virtue of their shareholdings in Ong Legacy pursuant to Section 8(4) of the Act.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

5.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are set out below:

(a) Ong Boon Leng

Ong Boon Leng, a Malaysian male aged 65, is our Promoter, substantial shareholder and Managing Director. He was appointed to our Board since incorporation on 26 November 2024 and is responsible for overseeing our Group's overall business planning and operations and strategic directions to drive the business development, growth and expansion of our Group.

He completed his Sijil Rendah Pelajaran from Sekolah Menengah Kebangsaan Tinggi Klang, Selangor in 1975.

Ong Boon Leng has over 40 years of experience in poultry farming. In 1979, he joined our Group as Farm Manager where he was responsible for the day-to-day operations and management of the poultry farm. He was subsequently appointed as Executive Director in 1981 where he was primarily responsible for the management of our poultry farm and feed mill operations.

In 1996, he was appointed as Managing Director where he spearheaded our Group's transition from utilising traditional methods of poultry farming to adopting modern methods of poultry farming. Under his direction, our Group underwent significant growth from a small family business to one of the pioneers in the egg production industry. He continues to hold this position to-date.

Kindly refer to Section 5.2.3(b) for his involvement in other business activities outside our Group.

(b) Lim Suk Gen

Lim Suk Gen, a Malaysian female aged 57, is our Promoter, substantial shareholder and Executive Director. She was appointed to our Board on 21 February 2025 and is responsible for overseeing our Group's production, HR and administration departments.

She completed Penilaian Darjah Lima from Sekolah Jenis Kebangsaan (Cina) Bercham, Ipoh in 1979.

She began her career in our Group in 1985 as Production Supervisor. She was primarily responsible for supervising production flow as well as managing and streamlining the production operations.

She was subsequently appointed as Executive Director in 1994 where she was primarily responsible for overseeing our Group's administration and production departments. In 2001, she ceased her directorship to dedicate her time to being a homemaker.

In 2004, she rejoined our Group as Production cum Sales Manager where she was primarily responsible for overseeing our Group's production departments as well as business administration, HR and payroll management. In 2019, she was reappointed as Executive Director, a position she continues to hold to-date.

Kindly refer to Section 5.2.3(c) for her involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(c) Ong Keat Qian

Ong Keat Qian, a Malaysian male aged 38, is our Promoter, substantial shareholder and Executive Director. He was appointed to our Board on 21 February 2025 and is responsible for overseeing our Group's farm and feed mill operations as well as veterinary and projects departments.

He obtained his Bachelor of Arts in International Business Management from University of Northumbria, Newcastle, UK in 2011.

In 2011, he began his career in our Group as General Manager where he was primarily responsible for overseeing the management of our poultry farm and feed mill operations, ensuring consistent feed quality to meet nutritional requirements of various stages of laying hens.

In 2017, he was appointed as Executive Director assuming his current responsibilities. He continues to hold this position to-date.

Kindly refer to Section 5.2.3(d) for his involvement in other business activities outside our Group.

(d) Ong Keat Hoe

Ong Keat Hoe, a Malaysian male aged 30, is our Promoter, substantial shareholder and Executive Director. He was appointed to our Board on 21 February 2025 and is responsible for our Group's sales and marketing department.

He pursued his studies at Taylor's University and obtained his Bachelor of Arts in Business Management with Marketing from University of the West of England, Bristol, UK in 2021.

In 2019, he started assisting our Managing Director in the day-to-day operation on a part time basis.

In 2021, he began his career in our Group as Sales and Marketing Manager where he was primarily responsible for nurturing customer relationships and developing new markets, both locally and overseas including Hong Kong. He also led the launch and development of our Group's table eggs under our house brands. During the same year, he was appointed as Executive Director where he was responsible for overseeing the sales and marketing activities of our Group. He continues to hold this position to-date.

Kindly refer to Section 5.2.3(e) for his involvement in other business activities outside our Group.

(e) Ong Legacy

Ong Legacy, our Promoter and substantial shareholder, was incorporated in Malaysia as a private limited company under the Act on 21 March 2025. Ong Legacy is principally an investment holding company and was incorporated to facilitate the Share Transfer.

As at LPD, the issued share capital of Ong Legacy is RM1 comprising 1 ordinary share and the directors of Ong Legacy are Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe. Upon completion of the Share Transfer, the issued share capital of Ong Legacy will increase to RM[•] million comprising 3,500,000 ordinary shares, of which the details of shareholders are as follows:

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

		Direct		Indirect	
Name	**Nationality**	**No. of shares**	**(1)%**	**No. of shares**	**%**
Ong Boon Leng	Malaysian	2,236,500	63.9	-	-
Lim Suk Gen	Malaysian	563,500	16.1	-	-
Ong Keat Qian	Malaysian	350,000	10.0	-	-
Ong Keat Hoe	Malaysian	350,000	10.0	-	-

Note:

(1) Based on issued share capital of 3,500,000 ordinary shares upon completion of the Share Transfer.

Further details of the Share Transfer is set out in Section 6.2.2.

As at LPD, Ong Legacy does not have any interest in other companies.

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5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings in our Company since our incorporation are as follows:

	As at incorporation				Before Share Transfer and IPO				After Share Transfer and IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**	**No. of Shares**	**(2)%**	**No. of Shares**	**(2)%**	**No. of Shares**	**(3)%**	**No. of Shares**	**(3)%**
Promoters and substantial shareholders												
Ong Legacy	-	-	-	-	-	-	-	-	350,000,000	70.0	-	-
Ong Boon Leng	1	100.0	-	-	255,636,700	63.9	-	-	-	-	(4)350,000,000	70.0
Lim Suk Gen	-	-	-	-	64,363,300	16.1	-	-	-	-	(4)350,000,000	70.0
Ong Keat Hoe	-	-	-	-	40,000,000	10.0	-	-	-	-	(4)350,000,000	70.0
Ong Keat Qian	-	-	-	-	40,000,000	10.0	-	-	-	-	(4)350,000,000	70.0

Notes:

(1) Based on our share capital of 1 Share as at incorporation.

(2) Based on our share capital of 400,000,000 Shares after Acquisition of Hock Soon Poultry Farm but before IPO.

(3) Based on our enlarged share capital of 500,000,000 Shares after IPO.

(4) Deemed interested by virtue of their shareholdings in Ong Legacy pursuant to Section 8(4) of the Act.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at LPD, there is no arrangement between our Company, Promoters and substantial shareholders with any third-party which may result in a change in control of our Company at a date subsequent to our Listing.

5.1.5 Amounts or benefits paid or intended to be paid or given to our Promoters and substantial shareholders

Save for the issuance of our Shares as consideration for the Acquisition of Hock Soon Poultry Farm, dividends paid or intended to be paid to our Promoters and substantial shareholders as disclosed below, and aggregate remuneration and benefits paid or proposed to be paid for services rendered to our Group in all capacities as disclosed in Section 5.2.4, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus:

	Dividends declared and paid			
Promoters and substantial shareholders	**FYE 2022** **RM'000**	**FYE 2023** **RM'000**	**FYE 2024** **RM'000**	**1 October 2024 up to LPD** **RM'000**
Ong Boon Leng	-	639	40,742	27,481
Lim Suk Gen	-	161	10,258	6,919
Ong Keat Qian	-	100	6,375	4,300
Ong Keat Hoe	-	100	6,375	4,300
	-	**1,000**	**63,750**	**43,000**

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5.2 DIRECTORS

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after our IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

		As at LPD				Before Share Transfer and IPO				After Share Transfer and IPO			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Designation/ Nationality	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Datuk Seri Nurmala Binti Abd Rahim	Independent Non-Executive Chairperson/ Malaysian	-	-	-	-	-	-	-	-	-	-	-	-
Ong Boon Leng	Managing Director/ Malaysian	1	100.0	-	-	255,636,700	63.9	-	-	-	-	(4)350,000,000	70.0
Lim Suk Gen	Executive Director/ Malaysian	-	-	-	-	64,363,300	16.1	-	-	-	-	(4)350,000,000	70.0
Ong Keat Qian	Executive Director/ Malaysian	-	-	-	-	40,000,000	10.0	-	-	-	-	(4)350,000,000	70.0
Ong Keat Hoe	Executive Director/ Malaysian	-	-	-	-	40,000,000	10.0	-	-	-	-	(4)350,000,000	70.0
Tan Phaik Yen	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-	-	-	-	-
Chang Lih Yik	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-	100,000	<0.1	-	-
Pook Kim Nyean	Independent Non-Executive Director/ Malaysian	-	-	-	-	-	-	-	-	20,000	<0.1	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Notes:

(1) Based on our share capital of 1 Share as at incorporation.

(2) Based on our share capital of 400,000,000 Shares after Acquisition of Hock Soon Poultry Farm but before IPO.

(3) Based on our enlarged share capital of 500,000,000 Shares after IPO.

(4) Deemed interested by virtue of their shareholdings in Ong Legacy pursuant to Section 8(4) of the Act.

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5.2.2 Profiles of Directors

The profiles of Ong Boon Leng (our Managing Director), Lim Suk Gen (our Executive Director), Ong Keat Qian (our Executive Director) and Ong Keat Hoe (our Executive Director), are set out in Section 5.1.2. The profiles of our other Directors are as follows:

(a) Datuk Seri Nurmala Binti Abd Rahim

Datuk Seri Nurmala Binti Abd Rahim, a Malaysian female aged 71, is our Independent Non-Executive Chairperson. She was appointed to our Board on 21 February 2025.

She obtained her Bachelor of Social Science in Urban Studies from Universiti Sains Malaysia in 1977. Subsequently, she completed her Diploma in Public Administration from the National Institute of Public Administration ("**INTAN**") in 1978. She also completed her Master of Public Administration ("**MPA**") from Pennsylvania State University, USA in 1988.

She began her career with the Government as an Administrative and Diplomatic Officer in 1978. Her first posting was with the Ministry of Agriculture (currently known as Ministry of Agriculture and Food Security), where she served as Assistant Secretary of the International Division, Assistant Secretary of the Planning and Development Division and the Principal Private Secretary to the Minister of Agriculture throughout her tenure from 1978 to 1984. Her tasks at the Ministry included administrative works related to the International Food Agricultural Organisation, assisting in drafting the National Agricultural Policy, and assisting the Minister in his day-to-day official duties. In 1984, she left the Ministry of Agriculture to join INTAN as a Senior Project Officer where she was primarily responsible for conducting training programmes for Government officers in the field of quality management. In 1986, she left INTAN and took a break from her career to pursue her MPA.

Upon completion of her MPA, she resumed her career and was assigned to the Malaysian Administrative Modernisation and Management Planning Unit ("**MAMPU**") under the Prime Minister's Department as a Principal Assistant Director in 1988. During her stint in MAMPU, she was involved in various programmes aimed at improving the services of various Government departments and agencies by conducting research, visits, inspections, drafting the administrative circulars, advising and evaluating Government agencies for the quality improvement award system at the national level. In 2002, she left MAMPU and joined MITI (then known as Ministry of International Trade and Industry) as the Director of ASEAN Division, where she was involved in various Free Trade Area ("**FTA**") negotiations representing Malaysia at the ASEAN level as well as FTA negotiations with other trade partners of ASEAN. She was also the ASEAN representative and spokesperson in the FTA negotiations with India. Throughout her tenure with MITI, she also assumed various other positions including Minister Counsellor at the Embassy of Malaysia in Tokyo, Japan, Senior Director of the Strategic Planning Division, and Senior Director of the Management Service Division. Whilst in Japan she was involved in providing input as well as liaising communication between Malaysia and Japan on trade and economic development of both countries. Upon returning to Malaysia after 2 years in Japan, she was involved in strategic planning, administration, finance as well as information and communications technology for MITI.

In 2007, she left MITI to join the Ministry of Plantation, Industries and Commodities ("**MPIC**") (currently known as Ministry of Plantation and Commodities) as Deputy Secretary General. In 2011, she was further promoted to Secretary General. At MPIC, she was in charge of planning and developing the plantation sector covering oil palm, rubber, timber, cocoa, pepper and kenaf both upstream and downstream. She was also responsible in developing and implementing the National Commodities Policy with yearly export earnings targets whilst at the same time taking care of the interest of the smallholders. At the international level, she was involved in promoting the industry by attending international meetings and leading trade missions.

In 2014, at the age of 60, she went on a mandatory retirement from the Malaysian civil service.

She currently sits on the board of Hartalega Holdings Berhad (since 2016) and DPI Holdings Berhad (since 2018) as Independent Non-Executive Director and Senior Independent Non-Executive Director respectively. Hartalega Holdings Berhad is listed on the Main Market whilst DPI Holdings Berhad is listed on the ACE Market of Bursa Securities.

She does not have any relationship with our Promoters, Directors and key senior management.

Kindly refer to Section 5.2.3(a) for her involvement in other business activities outside our Group.

(b) Pook Kim Nyean

Pook Kim Nyean, a Malaysian male aged 42, is our Independent Non-Executive Director. He was appointed to our Board on 21 February 2025. He is the Chairperson of our Audit and Risk Management Committee and a member of our Nomination Committee and Remuneration Committee.

He graduated from Tunku Abdul Rahman College with a Diploma in Business Studies (Accounting) in 2004 and obtained his Advanced Diploma in Commerce (Financial Accounting) in 2006. He has been a member of ACCA since 2011 and subsequently became a Fellow of ACCA since 2016. He is also a member of MIA since 2012.

He began his career in Chong & Co Chartered Accountants in 2006 as an Audit Associate where he assisted in audit matters of small to medium-sized corporations. He left Chong & Co Chartered Accountants and joined Crowe Horwarth International (currently known as Crowe Malaysia PLT) in 2008 as an Audit Associate and was subsequently promoted to Audit Senior Manager. He was primarily involved in numerous audit assignments in various industries such as trading, manufacturing and property development.

In 2017, he left Crowe Malaysia PLT and joined Uzma Berhad as Financial Controller, where he was responsible for finance and accounting matters. He resigned from Uzma Berhad in 2020 and thereafter, joined Aeon Credit (M) Berhad as its Head of Finance where he was primarily responsible for overseeing the financial reporting, internal controls, risks, ethics and compliance with legal and statutory requirements.

In 2021, he resigned from Aeon Credit (M) Berhad and joined Software One Experts Sdn Bhd as its Head of Finance, a position he presently holds, where he spearheads the company's finance department.

He currently sits on the board of Resintech Berhad (since 2023) as Independent Non-Executive Director. Resintech Berhad is listed on the Main Market.

He does not have any relationship with our Promoters, Directors and key senior management.

Kindly refer to Section 5.2.3(f) for his involvement in other business activities outside our Group.

(c) Chang Lih Yik

Chang Lih Yik, a Malaysian male aged 41, is our Independent Non-Executive Director. He was appointed to our Board on 21 February 2025. He is the Chairperson of our Nomination Committee and a member of our Audit and Risk Management Committee and Remuneration Committee.

He obtained his Bachelor of Laws from Multimedia University in August 2008. He subsequently completed his Master of Laws with specialisation in Business Law from University of California, Berkeley, USA in May 2013. In October 2013, he passed the New York State Bar Examinations. He was admitted to the New York State Bar in 2016.

He began his career with KPMG Tax Services Sdn Bhd in November 2008 as Tax Consultant Assistant where he was mainly involved in tax advisory and tax computation matters.

In 2009, he resigned from KPMG Tax Services Sdn Bhd and joined Kadir Andri & Partners as a pupil-in-chambers where he assisted with litigation matters including the drafting of cause papers and attending court hearings. He completed his pupillage in March 2010 and was admitted as an advocate and solicitor of the High Court in Malaya in May 2010.

In August 2010, he began his legal practice with Wong Beh & Toh as Legal Associate where he was mainly involved in capital market and mergers and acquisitions matters. In 2012, he resigned from Wong Beh & Toh to further his studies in USA. In 2013, he joined Realty Links LLC which is based in Houston, Texas, USA as Legal Researcher for a short stint where he assisted with research on land acquisition and land auction related matters. During the same year, he resigned from Realty Links LLC and took a 2 months hiatus before returning to Malaysia.

In 2014, he joined Adnan Sundra & Low as Legal Associate and was primarily involved in legal matters relating to initial public offerings and equity capital markets. He resigned from Adnan Sundra & Low and founded Chang & Co in February 2018. He left Chang & Co in December 2018. In 2019, he joined Wong Teoh & Chang as Partner, a position he presently holds, where his practice focuses primarily on corporate, commercial and real estate matters.

He does not have any relationship with our Promoters, Directors and key senior management.

Kindly refer to Section 5.2.3(g) for his involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(d) Tan Phaik Yen

Tan Phaik Yen, a Malaysian female aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 21 February 2025. She is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

She obtained her Bachelor of Laws from the University of London, UK in 1992 and obtained the Certificate of Legal Practice in 1993. She was admitted as an advocate and solicitor of the High Court of Malaya in December 1994. She has over 30 years of experience as an advocate and solicitor in Malaysia and she has garnered extensive experience and expertise in real estates, corporate, and banking and finance matters.

She joined Oon Kong & Lee in March 1994 as a pupil-in-chambers and completed her pupilage with Lee Choon Wan & Co in November 1994. Following her admission to the Malaysian Bar, she joined Cheah Pok Gek & Associates in December 1994 as Legal Assistant. In 1997, she left Cheah Pok Gek & Associates and joined Soo Thien Ming & Nashrah, Klang office, as Legal Assistant where she was primarily involved in corporate and conveyancing matters. In 2003, she was promoted to Partner of Soo Thien Ming & Nashrah. In 2021, she left Soo Thien Ming & Nashrah and joined CH Yeap & Partners as Partner. In 2023, she left CH Yeap & Partners and founded PY Tan & Partners.

She does not have any relationship with our Promoters, Directors and key senior management.

Kindly refer to Section 5.2.3(h) for her involvement in other business activities outside our Group.

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5.2.3 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/ or principal business activities performed outside our Group in the past 5 years up to LPD:

(a) Datuk Seri Nurmala Binti Abd Rahim

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Pan Merchant Berhad	Investment holding company of subsidiaries principally involved in the design, manufacture, assembly, delivery and commission of filters for solid liquid filtration, provision of steel works and provision of technical support services	Senior Independent Non-Executive Director	23 August 2024	-	-	-
DPI Holdings Berhad (listed on the ACE Market of Bursa Securities)	Investment holding company of subsidiaries principally involved in the development, manufacturing and distribution of aerosol products, trading of solvents and thinners and manufacturing and trading of plastic products	Senior Independent Non-Executive Director and shareholder	1 March 2018	-	<0.1	-
Hartalega Holdings Berhad (listed on the Main Market)	Investment holding company of subsidiaries principally involved in the manufacturing and sale of gloves	Independent Non-Executive Director	23 August 2016	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Past involvement						
ETA World Group Berhad	Investment holding company of subsidiaries principally involved in provision of turnkey solutions in the design and construction of factories and architectural and engineering services, submission and approvals, construction, project management and delivery of vacant possession	Independent Non-Executive Chairman	11 November 2021	29 September 2023	-	-

(b) Ong Boon Leng

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
BL Ong & Sons Ventures	Investment holding of land and handling of chicken manure	Director and shareholder	8 February 2024	-	63.9	-
Ong Legacy	Investment holding of shares	Director and shareholder	21 March 2025	-	(1)100.0	-
Past involvement						
Ong Kim Hock & Sons Sdn Bhd	Previously involved in provision of warehousing service and dissolved on 27 June 2024	Director and shareholder	3 August 1990	-	15.4	(2)7.7

Notes:

(1) He will hold 63.9% equity interest in Ong Legacy upon completion of the Share Transfer.

(2) Deemed interested by virtue of his spouse's shareholdings in the company pursuant to Section 8(4) of the Act.

(c) Lim Suk Gen

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
BL Ong & Sons Ventures	Investment holding of land and handling of chicken manure	Director and shareholder	8 February 2024	-	16.1	-
Ong Legacy	Investment holding of shares	Director	21 March 2025	-	(1)-	-
Past involvement						
Ong Kim Hock & Sons Sdn Bhd	Previously involved in provision of warehousing service and dissolved on 27 June 2024	Shareholder	-	-	7.7	(2)15.4

Notes:

(1) She will hold 16.1% equity interest in Ong Legacy upon completion of the Share Transfer.

(2) Deemed interested by virtue of her spouse's shareholdings in the company pursuant to Section 8(4) of the Act.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(d) Ong Keat Qian

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
BL Ong & Sons Ventures	Investment holding of land and handling of chicken manure	Director and shareholder	8 February 2024	-	10.0	-
Ong Legacy	Investment holding of shares	Director	21 March 2025	-	(1)-	-
Past involvement						
Nil						

Note:

(1) He will hold 10.0% equity interest in Ong Legacy upon completion of the Share Transfer.

(e) Ong Keat Hoe

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
BL Ong & Sons Ventures	Investment holding of land and handling of chicken manure	Director and shareholder/ Alternate Director to Ong Boon Leng	8 February 2024/ 20 February 2024	-	10.0	-
Ong Legacy	Investment holding of shares	Director	21 March 2025	-	(1)-	-
Past involvement						
Nil						

Note:

(1) He will hold 10.0% equity interest in Ong Legacy upon completion of the Share Transfer.

(f) Pook Kim Nyean

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Resintech Berhad (listed on the Main Market)	Investment holding company of subsidiaries principally involved in the manufacturing and trading of diversified plastics building materials	Independent Non-Executive Director	31 May 2023	-	-	-
K2 Advisory & Consultancy Services Sdn Bhd	Information technology service activities, financial consultancy services and business management consultancy services	Shareholder	29 August 2023	Resigned as director on 12 August 2024	50.0	-

Past involvement

Nil

(g) Chang Lih Yik

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Centauri Services and Technology Sdn Bhd	Customer services and shared services and information technology services	Director	28 January 2022	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Simple 17 Solutions Sdn Bhd	Provision of actuarial and accounting services	Director and shareholder	9 February 2021	-	50.0	-
Sweetpine Agro Sdn Bhd	Growing of pineapple and other vegetables as well as manufacture of fruits and vegetables food products	Shareholder	-	-	7.0	-
Wong Teoh & Chang	Provision of legal services	Partner	1 January 2019	-	-	-
Past involvement						
Nil						

(h) Tan Phaik Yen

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
PY Tan & Partners	Provision of legal services	Partner	2 August 2023	-	-	-
Past involvement						
Soo Thien Ming & Nashrah	Provision of legal services	Partner	2 January 2003	30 June 2021	-	-
CH Yeap & Partners	Provision of legal services	Partner	1 July 2021	31 July 2023	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

As at LPD, the directorships of our Directors in other companies are in compliance with Paragraph 15.06 of the Listing Requirements as they do not hold more than 5 directorships in public listed companies on Bursa Securities. They also do not have any directorships in public listed companies on other stock exchanges.

Save as disclosed in Section 11.1, the involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Executive Directors in the business outside our Group does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the day-to-day operations of the companies. Therefore, their involvement in the companies do not require a significant amount of time, and hence does not affect their ability to fulfil their executive roles and responsibilities to our Group.

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5.2.4 Directors' remuneration and benefits

The remuneration of our Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. The Director's fees and any benefits payable to Directors shall be subject to annual approval by our shareholders pursuant to an ordinary resolution passed at a general meeting in accordance with our Constitution. Please refer to Section 15.3 for further details.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2023 to 2025 are as follows:

	Directors' fees	Salaries	Bonuses	Other emoluments	Benefits-in-kind	Total
	RM'000					
FYE 2023 (Paid)						
Ong Boon Leng	-	2,886	800	700	22	**4,408**
Lim Suk Gen	-	1,218	700	366	8	**2,292**
Ong Keat Qian	-	1,200	900	400	41	**2,541**
Ong Keat Hoe	-	780	700	282	27	**1,789**
FYE 2024 (Paid)						
Ong Boon Leng	-	2,886	500	643	40	**4,069**
Lim Suk Gen	-	1,218	500	328	2	**2,048**
Ong Keat Qian	-	1,200	700	362	50	**2,312**
Ong Keat Hoe	-	780	500	244	28	**1,552**
FYE 2025 (Proposed)						
Datuk Seri Nurmala Binti Abd Rahim	(1)35	-	-	2	-	**37**
Ong Boon Leng	-	2,886	(2)-	548	41	**3,475**
Lim Suk Gen	-	1,218	(2)-	233	1	**1,452**
Ong Keat Qian	-	1,200	(2)-	229	51	**1,480**
Ong Keat Hoe	-	960	(2)-	184	27	**1,171**
Tan Phaik Yen	(1)18	-	-	2	-	**20**
Chang Lih Yik	(1)18	-	-	2	-	**20**
Pook Kim Nyean	(1)25	-	-	2	-	**27**

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Notes:

(1) Pro-rated based on their date of appointment to our Board.

(2) The bonuses for FYE 2025 are not included. Such bonuses, if any, will be determined at a later date based on the individual's performance and our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

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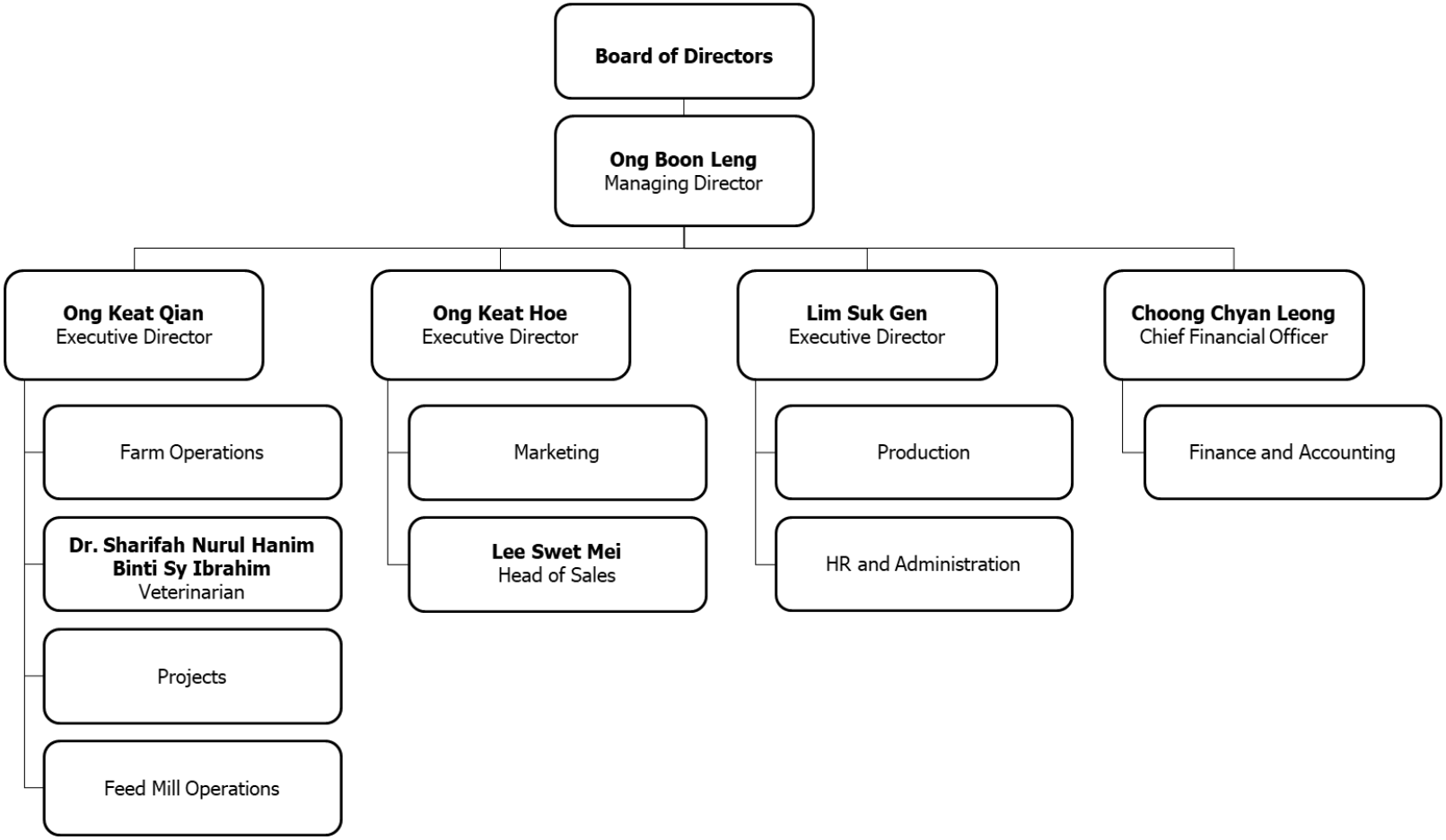
5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure

The management reporting structure of our Group is as follows:



5.3.2 Key senior management shareholdings

The shareholdings of our key senior management in our Group, save for our Executive Directors which are disclosed in Sections 5.1.1 and 5.2.1, before and after our IPO (assuming they fully subscribe for their respective entitlements under the Pink Form Allocations), are set out below:

		As at LPD				Before IPO				After IPO			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	**Designation/ Nationality**	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**	**No. of Shares**	**(2)%**	**No. of Shares**	**(2)%**	**No. of Shares**	**(3)%**	**No. of Shares**	**(3)%**
Choong Chyan Leong	Chief Financial Officer/ Malaysian	-	-	-	-	-	-	-	-	160,000	<0.1	-	-
Lee Swet Mei	Head of Sales/ Malaysian	-	-	-	-	-	-	-	-	25,000	<0.1	-	-
Dr. Sharifah Nurul Hanim Binti Sy Ibrahim	Veterinarian/ Malaysian	-	-	-	-	-	-	-	-	10,000	<0.1	-	-

Notes:

(1) Based on our share capital of 1 Share as at LPD.

(2) Based on our share capital of 400,000,000 Shares after Acquisition of Hock Soon Poultry Farm but before IPO.

(3) Based on our enlarged share capital of 500,000,000 Shares after IPO.

5.3.3 Profiles of key senior management

Save for the profile of our Executive Directors which are set out in Section 5.1.2, the profiles of the other key senior management of our Group are as follows:

(a) Choong Chyan Leong

Choong Chyan Leong, a Malaysian male aged 41, is our Chief Financial Officer. He is responsible for overseeing our Group's overall accounting and finance functions.

In 2004, he graduated with a London Chamber of Commerce & Industry Diploma in Commercial Studies from Shen Jai School of Commerce. He has been a member of ACCA since 2014 and subsequently became a Fellow in 2019. He is also a member of MIA since 2014.

He began his career in 2004 at A L Tan & Co as an Accounts and Tax Assistant and was subsequently promoted to Accounts and Tax Senior in 2005. During his tenure with A L Tan & Co, he was responsible for performing full sets of accounting transaction services to clients and tax computations for clients. In 2006, he resigned from A L Tan & Co to pursue his ACCA at London College of Accountancy from 2006 until 2008.

In 2008, he joined KPMG (currently known as KPMG PLT) as an Audit Assistant and was subsequently promoted to Audit Senior in 2011. During his tenure with the firm, he was involved in various statutory and special audit engagements of private companies, public listed companies and multinational companies.

In 2012, he left KPMG and joined Arcadis & Towell Sdn Bhd, a construction consultancy services company, as Financial Controller where he was responsible for overseeing the company's finance and accounting functions.

In 2015, he left Arcadis & Towell Sdn Bhd and joined Eagle Eye Technologies Sdn Bhd, a software development company, as Finance and Human Resource Manager. He was primarily responsible for overseeing the company's finance, HR and administration functions. He was appointed as the company's director in July 2017 but ceased his directorship in September 2017.

In November 2017, he left Eagle Eye Technologies Sdn Bhd and joined Vale Malaysia Minerals Sdn Bhd, a mining company, as its Finance Econ Master where he was responsible for the company's accounting functions and compliance with relevant statutory regulations.

In 2021, he left Vale Malaysia Minerals Sdn Bhd and joined K-One Technology Berhad (listed on the ACE Market of Bursa Securities) as Senior Finance Manager where he was responsible for the company's accounting and financial reporting functions.

In 2022, he left K-One Technology Berhad and joined Yew Lee Pacific Group Berhad (both listed on the ACE Market of Bursa Securities) as Chief Financial Officer. During his tenure with the company, he was responsible for overseeing the company's financial management and accounting function.

In 2024, he left Yew Lee Pacific Group Berhad and assumed his present position in our Group as Chief Financial Officer.

He does not have any relationship with our Promoters, Directors and other key senior management.

He does not have any involvement in any business activities outside of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(b) Lee Swet Mei

Lee Swet Mei, a Malaysian female aged 43, is our Head of Sales. She is responsible for fostering client relationships and driving profitable business growth for our Group.

She completed her Sijil Pelajaran Malaysia in 2000. In 2021, she had enrolled with Open University Malaysia to pursue the Bachelor of Arts in Marketing. She is currently pursuing her degree on a part-time basis and is expected to complete in December 2025.

Upon completing her secondary education in 2000, she began her career in Associated Rock Industries Sdn Bhd, a company specialised in the manufacturing and trading of minerals, as a Sales Clerk, where she was responsible for managing the company's orders management and customer assistance.

In 2002, she left Associated Rock Industries Sdn Bhd and joined Bidor CS Tyre Sdn Bhd, a tyre shop, as a General Clerk. She was responsible for managing the company's records of business transactions including receipt of payments and inventory management.

In 2003, she left Bidor CS Tyre Sdn Bhd and joined our Group as a Sales Clerk where she was primarily responsible for ensuring business transactions were handled accurately and efficiently within set timeframes. She was further entrusted with managing and maintaining our farm's inventory , as well as processing sales orders and keeping accurate records of our Group's customer and sales data in our database. In 2019, she was promoted to her present position as our Head of Sales where she plays a pivotal role in supporting our sales activities.

She does not have any relationship with our Promoters, Directors and key senior management.

She does not have any involvement in any business activities outside our Group.

(c) Dr. Sharifah Nurul Hanim Binti Sy Ibrahim

Syarifah Nurul Hanim Binti Sy Ibrahim, a Malaysian female aged 33, is our Veterinarian. She is responsible for monitoring and diagnosing disease as well as overseeing and maintaining good animal husbandry practices to ensure high performance and productivity in our layers.

In 2016, she obtained her degree of Doctor of Veterinary Medicine from Universiti Malaysia Kelantan.

Upon graduation, she began her career in our Group and assumed her present position as Veterinarian.

She does not have any relationship with our Promoters, Directors and other key senior management.

She does not have any involvement in any business activities outside of our Group.

5.3.4 Principal business performed outside our Group

Save as disclosed in Section 5.2.3, none of our key senior management has any other principal directorship and/ or principal business activities performed outside our Group within the last 5 years up to LPD.

5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Executive Directors which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYE 2023 to 2025 are as follows:

	(1)Remuneration band		
	FYE 2023 (Paid)	**FYE 2024 (Paid)**	**(2)FYE 2025 (Proposed)**
		RM'000	
Choong Chyan Leong	-	50 - 100	250 - 300
Lee Swet Mei	50 - 100	50 - 100	50 - 100
Dr. Sharifah Nurul Hanim Binti Sy Ibrahim	100 - 150	100 - 150	100 - 150

Notes:

(1) The remuneration for key senior management includes salaries, bonuses, allowances and other emoluments.

(2) The bonuses for FYE 2025 are on an estimated basis. Such bonuses, if any, will be finalised at a later date based on the individual's performance as well as our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

5.4 BOARD PRACTICE

5.4.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

(a) Our Board shall assume ultimate accountability and responsibility for the performance and affairs of our Group. Our Board is collectively responsible for meeting the objectives and goals of our Group and shall in so doing effectively represent and promote the legitimate interests of our Group and our shareholders. Our Board, at all times, shall retain full and effective control over our Group and shall direct and supervise the business and affairs of our Group.

(b) Our Board shall ensure that management has in place appropriate processes for risk assessment, management and internal controls and monitoring performance against agreed benchmarks. Our Board shall work with management as collaborators in advancing the interests of our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(c) Our Board has delegated certain responsibilities to committees which operate in accordance with the Board Charter and delegated the day-to-day management of our Group's business to our Executive Directors and the key senior management, subject to an agreed authority limit.

(d) The principal roles and responsibilities of our Board are:

(i) ensure that all our directors are able to understand financial statements and form a view on the information presented;

(ii) together with key senior management, promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;

(iii) set the strategic plan including setting performance objectives and approving operating budgets for our Group and ensuring that the strategies promote sustainability within the aspects of environment, social and economy and necessary resources are in place for our Group to meet its objectives. Our Board is also responsible for monitoring the implementation of the strategic plan by the key senior management;

(iv) overseeing the conduct of our Group's business and build sustainable value for our shareholders by monitoring financial performance against approved budget, determine dividend policy and the amount, nature and timing of dividends to be paid and also to conduct a review of our Group's funding requirements on a continuing basis, including significant treasury matters, approval of financing arrangements, or payment authority and other signatories;

(v) identifying principal risks on a continuous basis and ensuring the implementation of appropriate internal controls and mitigation measures such as to establish an internal audit function which reports directly to our Audit and Risk Management Committee, oversight of our Audit and Risk Management Committee's evaluation of auditor's performance and independence, and reviews relevant arrangements brought forth by our Audit and Risk Management Committee;

(vi) overseeing the development and implementation of a corporate disclosure policy (including an investor relations program or shareholder communications policy) for our Group;

(vii) succession planning, including appointing, assessing, training, fixing the compensation of and where appropriate, replacing Executive Directors and the key senior management and overseeing our Group's human capital development process, monitor and compensate against pre-determined evaluation criteria;

(viii) reviewing the adequacy and the integrity of our Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines to ensure an effective framework for internal controls and risk management;

(ix) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;

(x) ensuring that our Group's financial statements are true and fair and conform with the accounting standards;

(xi) monitoring and reviewing policies and procedures relating to occupational health and safety and compliance with relevant laws and regulations;

(xii) ensuring that our Group adheres to high standards of ethics and corporate behaviour;

(xiii) periodically review an anti-bribery and anti-corruption compliance programme which includes clear policies and objectives that adequately addresses corruption risk; and

(xiv) approve the whistleblowing policy and procedures to encourage reporting of any legitimate concerns over any wrongdoing in our Group.

(e) In overseeing the conduct of our Group's business, our Board shall ensure that an appropriate financial planning, operating and reporting framework as well as risk management framework is established. Elements under this combined framework include the business plan, budget, financial statements, divisional strategic/ performance reviews reports and risk management reports.

In accordance with our Constitution, an election of Directors shall take place each year at the annual general meeting ("**AGM**"). At the first AGM of our Company, all our Directors shall retire from office, and at the AGM in every subsequent year, one-third of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

As at LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

Name	Date of appointment	Date of expiration of the current term in office	Approximate no. of months in office as at LPD
Datuk Seri Nurmala Binti Abd Rahim	21 February 2025	At the first AGM of our Company	1
Ong Boon Leng	26 November 2024	At the first AGM of our Company	4
Lim Suk Gen	21 February 2025	At the first AGM of our Company	1
Ong Keat Qian	21 February 2025	At the first AGM of our Company	1
Ong Keat Hoe	21 February 2025	At the first AGM of our Company	1
Pook Kim Nyean	21 February 2025	At the first AGM of our Company	1
Chang Lih Yik	21 February 2025	At the first AGM of our Company	1
Tan Phaik Yen	21 February 2025	At the first AGM of our Company	1

The members of our Board are set out in Section 5.2. Our Board takes note of the recommendations under the MCCG. The composition of our Board presently adheres to the relevant recommendations of the MCCG, details of which are as follows:

(a) at least half of our Board comprised independent directors;

(b) our Board comprises at least 30% women directors;

(c) our Chairman is not a member of our Audit and Risk Management Committee, Nomination Committee and Remuneration Committee; and

(d) our Board Committees comprised solely independent directors.

5.4.2 Audit and Risk Management Committee

The members of our Audit and Risk Management Committee are as follows:

Name	Designation	Directorship
Pook Kim Nyean	Chairperson	Independent Non-Executive Director
Chang Lih Yik	Member	Independent Non-Executive Director
Tan Phaik Yen	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibility on the oversight of the integrity of our Group's financial reporting and risk management. Our Audit and Risk Management Committee has full access to the documents/ resources as well as to the internal and external auditors as well as our key senior management team.

The duties and responsibilities of our Audit and Risk Management Committee as stated in the terms of reference include, amongst others, the following:

(a) review our Group's quarterly results and year-end financial statements before submission to the Board;

(b) review with our external auditors and report to our Board on our audit plan, audit report and evaluation on internal controls and co-ordination of our external auditors;

(c) review with our internal auditors and report to our Board on our internal audit process including our internal audit plan, the adequacy and effectiveness of our internal audit function and the implementation of the recommendations of our internal audit function;

(d) review any related party transactions and conflict of interest situations that may arise and make recommendation to our Board that such transactions are at arm's length and in the best interest of our Group including any transaction, procedure or course of conduct that raises question of management integrity; and

(e) establish, maintain and periodically review an anti-corruption compliance programme which includes clear policies and objectives that adequately address corruption risks.

External auditors

(a) nominate and recommend the appointment of external auditors, to consider the adequacy of experience, resources and audit fees of the external auditors;

(b) review any letter of resignation from the external auditors and any questions of resignation or dismissal;

(c) discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;

(d) review major audit findings arising from the interim and final external audits, the audit report and the assistance given by our Group's officers to the external auditors;

(e) review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;

(f) review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

(g) assess the suitability, objectivity and independence of the external auditor on an annual basis based on established policies and procedures, and the annual performance evaluation of the external auditor undertaken by the Audit and Risk Management Committee.

Internal auditors

(a) review the adequacy of scope, functions and resources of the internal auditors (that was engaged to undertake the internal audit function), and that it has the necessary authority to carry out its work;

(b) review the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and ensure that appropriate actions are taken on the recommendations of the internal audit function;

(c) review the major findings of internal audit investigations and ensure that appropriate actions are taken on the recommendations of the internal audit function; and

(d) review and approve any appointment, termination or resignation of the internal auditors.

Risk management

(a) review the adequacy of our Group's risk management framework and assess the resources and knowledge of the management and employees involved in the risk management process;

(b) review the effectiveness of internal control systems deployed by the management to address those risks;

(c) review and recommend corrective measures undertaken to remedy failings and/ or weaknesses;

(d) review and further monitor principal risks that may affect our Group directly or indirectly that if deemed necessary, recommend additional course of action to mitigate such risks;

(e) communicate and monitor the risk assessment results to our Board; and

(f) highlight actual and potential impact of any failing or weakness, particularly those related to financial performance or conditions affecting our Group.

Conflict of interest and related party transactions

(a) review any related party transactions including recurrent related party transactions or conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity and report the same to our Board; and

(b) establish policies and procedures to manage potential conflict of interest situations including potential conflict of interest between any director and our Company as well as between our Company and its subsidiaries.

Others

(a) maintain and keep under review the whistle-blowing mechanism of our Group which shall be in accordance with the whistle-blowing policy, which aims to provide protection and confidentiality;

(b) discuss and review the major findings of any internal investigations and the management's response;

(c) perform any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by the relevant government authorities;

(d) where our Audit and Risk Management Committee is of the view that a matter reported by it to our Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, our Audit and Risk Management Committee must promptly report such matter to Bursa Securities; and

(e) if applicable, to review the allocation of options during the year if any, under any of our Company's employee share issuance scheme to ensure that this was in compliance with the allocation criteria determined by the scheme committee set up for that purpose and in accordance with any related by-laws.

5.4.3 Nomination Committee

The members of our Nomination Committee are as follows:

Name	Designation	Directorship
Chang Lih Yik	Chairperson	Independent Non-Executive Director
Pook Kim Nyean	Member	Independent Non-Executive Director
Tan Phaik Yen	Member	Independent Non-Executive Director

The duties and responsibilities of our Nomination Committee as stated in the terms of reference include, amongst others, the following:

(a) identify, consider and recommend to our Board suitable candidates for appointment as Directors. Our Nomination Committee shall not solely rely on recommendations from our existing Board members, management or substantial shareholders, but will also utilise independent sources to identify suitably qualified candidates;

(b) develop and implement the fit and proper policy for the appointment and re-election of Directors of our Group that addresses the board quality and integrity;

(c) review and recommend to our Board the re-election of Directors who retired by rotation pursuant to our Constitution and re-appointment of Directors who retired pursuant to relevant sections of the Act, subject to the conduct of the fit and proper assessment;

(d) recommend to our Board, Directors to fill the vacancies on Board committees and recommend to our Board in respect of Directors' independence and conflicts of interests, if any, the steps to be taken to manage potential conflicts of interest;

(e) develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors, of which there should be a formal, rigorous and transparent process for the appointment of directors (including re-appointments) and key senior management;

(f) establish a policy on Board composition having regard to the mix of skills, independence, experience, age, cultural background and diversity (including gender diversity) required to meet the needs of our Group;

(g) assess annually the effectiveness of our Board as a whole, the committees of our Board and the contribution of each individual Director including his time commitment, character, experience and integrity;

(h) consider the size and balance of our Board with a view to determine the impact of the number upon our Board's effectiveness and recommend it to our Board;

(i) recommend to our Board on our Group's gender diversity policies, targets and discuss measures to be taken to meet those targets while ensuring our Board comprises sufficient women directors as recommended by the latest MCCG and to review the participation of women in key senior management to ensure there is healthy talent pipeline;

(j) recommend to our Board, protocol for accepting new directorships; and

(k) review and recommend the extension of any contracts of our Executive Directors, key senior management and any other person our Board so determines.

5.4.4 Remuneration Committee

The members of our Remuneration Committee are as follows:

Name	Designation	Directorship
Tan Phaik Yen	Chairperson	Independent Non-Executive Director
Pook Kim Nyean	Member	Independent Non-Executive Director
Chang Lih Yik	Member	Independent Non-Executive Director

The duties and responsibilities of our Remuneration Committee as stated in the terms of reference include, amongst others, the following:

(a) review our Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and key senior management, and recommend to our Board for approval;

(b) recommend to our Board the remuneration of Executive Directors, Non-Executive Directors and key senior management in all its forms and to review our Group's remuneration policies and procedures which should be disclosed in the annual report;

(c) determine a fair remuneration of Executive Directors and key senior management to attract, retain and motivate Executive Directors and key senior management and in doing so, the Remuneration Committee shall set performance measures for incentive plans which should be aligned with the business strategy and long-term objectives of our Group, complexity of our Group's activities, and reflects the experience and level of responsibilities;

(d) ensure fees and benefits payable to the Directors, and any compensation for loss of employment of Executive Directors are approved by the shareholders at general meetings; and

(e) review and recommend to our Board, the remuneration packages of Non-Executive Directors for shareholders' approval at our general meeting in accordance with the Act and ensure that remuneration and incentives for Non-Executive Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed.

5.5 RELATIONSHIPS AND/ OR ASSOCIATIONS

Save as disclosed below, there are no associations and/ or family relationships between any of our Promoters, substantial shareholder, Directors and key senior management as at LPD:

(a) Ong Boon Leng (our Promoter and Managing Director) and Lim Suk Gen (our Promoter and Executive Director) are husband and wife;

(b) Ong Boon Leng (our Promoter and Managing Director) is the father of Ong Keat Qian (our Promoter and Executive Director) and Ong Keat Hoe (our Promoter and Executive Director);

(c) Lim Suk Gen (our Promoter and Executive Director) is the mother of Ong Keat Qian (our Promoter and Executive Director) and Ong Keat Hoe (our Promoter and Executive Director); and

(d) Ong Keat Qian (our Promoter and Executive Director) and Ong Keat Hoe (our Promoter and Executive Director) are brothers.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at LPD, there are no existing or proposed service agreements entered into between our Company with any Directors or between any companies within our Group with any key senior management which provide for benefits upon termination of employment.

5.7 DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

(a) in the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;

(b) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(c) in the last 10 years, charged and/ or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(d) in the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

(g) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and

(h) has any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 26 November 2024 as a private limited company under the name of Hock Soon Capital Sdn Bhd. On 17 March 2025, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiaries, we are principally involved in poultry farming, whereby we rear layer chickens for the production and sale of table eggs. Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM1 comprising 1 Share, which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital
			RM
26 November 2024	1	RM1/ Subscriber's share	1
[•]	399,999,999	RM102,600,000/ Consideration for the Acquisition of Hock Soon Poultry Farm	102,600,001

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM[•] comprising 500,000,000 Shares.

6.2 DETAILS OF THE ACQUISITION OF HOCK SOON POULTRY FARM AND SHARE TRANSFER

6.2.1 Acquisition of Hock Soon Poultry Farm

In preparation for our Listing, we have undertaken the Acquisition of Hock Soon Poultry Farm. On 13 March 2025, we 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 Hock Soon Poultry Farm for a purchase consideration of RM102.6 million which was satisfied by the issuance of 399,999,999 new Shares to the vendors at an issue price of RM0.2565 each.

Details of the Acquisition of Hock Soon Poultry Farm and the number of Shares issued to the vendors pursuant to the Acquisition of Hock Soon Poultry Farm are set out below:

Vendors of Hock Soon Poultry Farm	Shareholdings in Hock Soon Poultry Farm		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
			RM'000	
Ong Boon Leng	5,851,524	63.9	65,571	255,636,699
Lim Suk Gen	1,473,276	16.1	16,509	64,363,300
Ong Keat Qian	915,600	10.0	10,260	40,000,000
Ong Keat Hoe	915,600	10.0	10,260	40,000,000
	9,156,000	**100.0**	**102,600**	**399,999,999**

The purchase consideration for the Acquisition of Hock Soon Poultry Farm of RM102.6 million was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the adjusted NA of Hock Soon Poultry Farm as at 30 September 2024 of RM102.6 million after adjusting for the declaration and payment of final dividend in respect of FYE 2024, details of which are as follows:

	RM'000
Audited NA of Hock Soon Poultry Farm (excluding non-controlling interest) as at 30 September 2024	145,591
Less: Dividend declared and paid subsequent to FYE 2024	(43,000)
Adjusted NA of Hock Soon Poultry Farm	**102,591**

The Acquisition of Hock Soon Poultry Farm was completed on [●]. Thereafter, Hock Soon Poultry Farm became our wholly-owned subsidiary, as set out in our group structure in Section 6.3.

The new Shares issued under the Acquisition of Hock Soon Poultry Farm rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/ or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

6.2.2 Share Transfer

Our Promoters, namely Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe have undertaken to transfer a total of 350,000,000 Shares (after the Offer for Sale) to Ong Legacy (an investment holding company incorporated with the intention to hold our Promoters' shareholdings in our Company after our IPO) at a consideration of RM[•] million. The Share Transfer will take place during the prescription period (one day after the date of the Prospectus up to a period of 30 days thereon).

Upon completion of the Share Transfer, our Promoters, namely Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe will hold an aggregate of 350,000,000 Shares through Ong Legacy.

Pursuant thereto, the Share Transfer will be completed upon the relevant Shares being credited into the CDS Account of Ong Legacy prior to our Listing.

Further details of the Share Transfer are set out below:

	After the Acquisition of Hock Soon Poultry Farm		To be transferred to Ong Legacy	After the Share Transfer but before our IPO	
Name	**No. of Shares**	**(1)%**	**No. of Shares**	**No. of Shares**	**(1)%**
Ong Legacy	-	-	350,000,000	350,000,000	87.5
Ong Boon Leng	255,636,700	63.9	(223,682,700)	(2)31,954,000	8.0
Lim Suk Gen	64,363,300	16.1	(56,317,300)	(2)8,046,000	2.0
Ong Keat Qian	40,000,000	10.0	(35,000,000)	(2)5,000,000	1.3
Ong Keat Hoe	40,000,000	10.0	(35,000,000)	(2)5,000,000	1.3
	400,000,000	**100.0**		**400,000,000**	**100.0**

Notes:

(1) Based on our share capital of 400,000,000 Shares before our IPO.

6. INFORMATION ON OUR GROUP *(Cont'd)*

(2) Our Selling Shareholders will offer a total of 50,000,000 Offer Shares under the Offer for Sale.

The purpose of the Share Transfer is to consolidate the shareholding interest of our Promoters, namely Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe, in our Company under a single investment holding company, namely Ong Legacy. Ong Legacy will be the sole major shareholder of Hock Soon after the Share Transfer.

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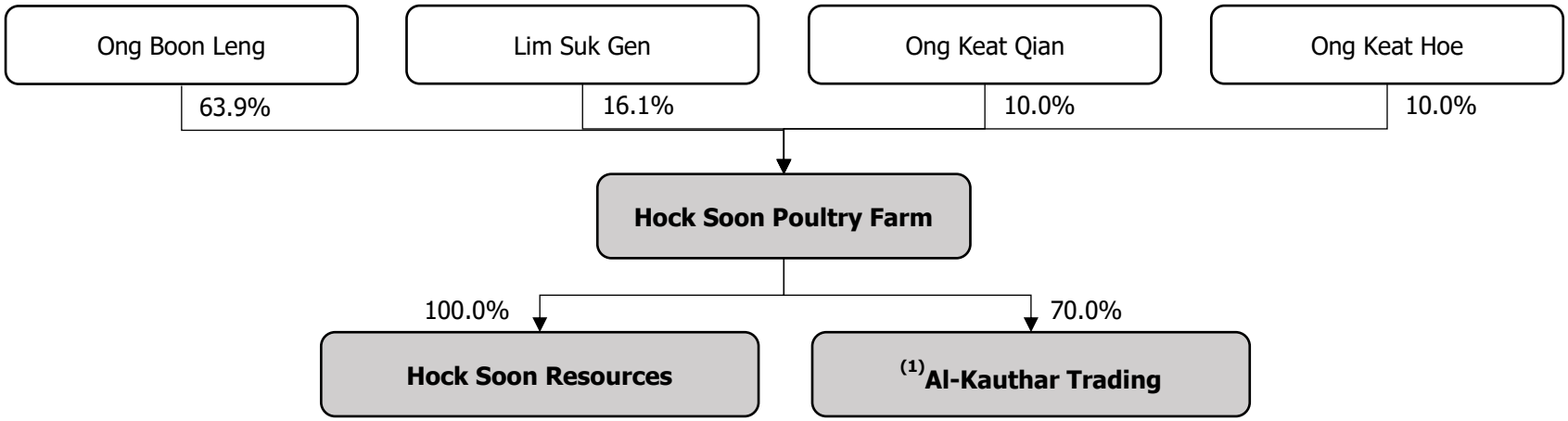
6. INFORMATION ON OUR GROUP *(Cont'd)*

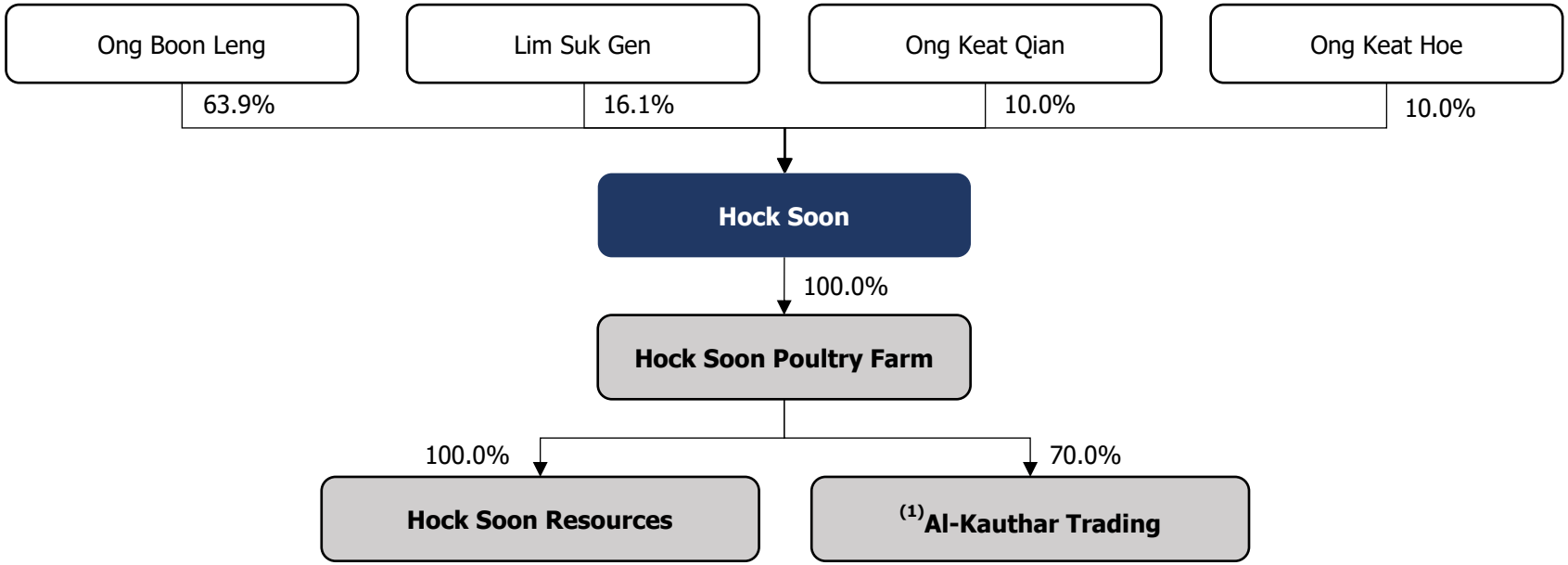
6.3 GROUP STRUCTURE

Before the Acquisition of Hock Soon Poultry Farm

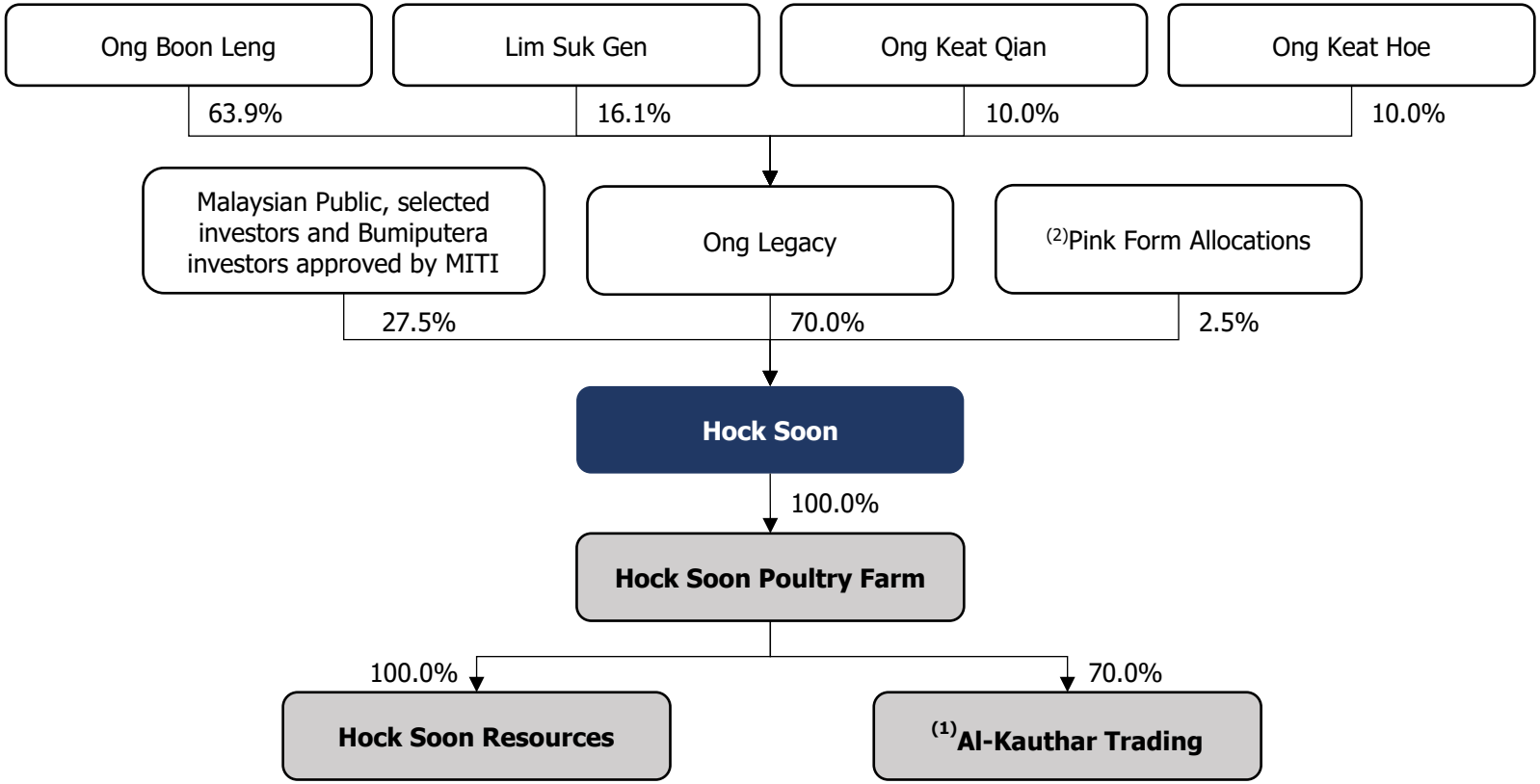


6. INFORMATION ON OUR GROUP *(Cont'd)*

After the Acquisition of Hock Soon Poultry Farm but before the Share Transfer and IPO



After the Share Transfer and IPO



Notes:

(1) The remaining 30% equity interest in Al-Kauthar Trading is held by Mohamad Harasul Bin Harith Fadzilah. He is a director of Al-Kauthar Trading. He is responsible for the sales activities of Al-Kauthar Trading, where we focus on sales of our table eggs to smaller retailers such as wet markets and households.

(2) Assuming that all Eligible Persons will subscribe for the Pink Form Allocations.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.4 SUBSIDIARIES

Details of our subsidiaries as at LPD are summarised as follows:

Company/ Registration No.	Date/ Place of incorporation	Issued share capital	Effective equity interest	Principal activities/ Principal place of business
		RM	%	
Hock Soon Poultry Farm/ 197901006678 (50963-M)	27 September 1979/ Malaysia	9,261,000	100.0	Poultry farming/ Malaysia
Held through Hock Soon Poultry Farm				
Hock Soon Resources/ 202301023160 (1517083-H)	19 June 2023/ Malaysia	100,000	100.0	Trading of eggs/ Malaysia
Al-Kauthar Trading/ 202401039563 (1585410-U)	20 September 2024/ Malaysia	100,000	70.0	Trading of eggs/ Malaysia

Details of the share capital of our subsidiaries are set out in Section 15.2.

As at LPD, we do not have any associated company.

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2022 to 2024 and up to LPD:

(a) Sale and purchase agreement dated 9 September 2024 entered into between Hock Soon Poultry Farm (as vendor) and BL Ong & Sons Ventures (as purchaser) for the disposal of 2 pieces of vacant freehold land held under Geran 1545, Lot 3228, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan measuring 6.6115 Ha (equivalent to 711,656 sq ft) and Geran 1546, Lot 3229, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan measuring 6.2625 Ha (equivalent to 674,090 sq ft) respectively at the total cash consideration of RM4,500,000.00, which was completed on 30 September 2024;

(b) Sale and purchase agreement dated 9 September 2024 entered into between Hock Soon Poultry Farm (as vendor) and BL Ong & Sons Ventures (as purchaser) for the disposal of 2 pieces of vacant freehold land held under Geran 110017, Lot 4749, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan measuring 1.887 Ha (equivalent to 203,115 sq ft) and Geran 110018, Lot 4750, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan measuring 2.053 Ha (equivalent to 220,983 sq ft) respectively at the total cash consideration of RM3,100,000.00, which was completed on 30 September 2024;

(c) Sale and purchase agreement dated 9 September 2024 entered into between Hock Soon Poultry Farm (as vendor) and BL Ong & Sons Ventures (as purchaser) for the disposal of a vacant freehold land held under Geran 123893, Lot 12975, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan measuring 2.059 Ha (equivalent to 221,629 sq ft) at the total cash consideration of RM455,000.00, which was completed on 30 September 2024;

(d) Sale and purchase agreement dated 9 September 2024 entered into between Hock Soon Poultry Farm and BL Ong & Sons Ventures (as purchaser) for the disposal of equipment and machinery owned by Hock Soon Poultry Farm at the total cash consideration of RM295,074.33, which was completed on 30 September 2024;

(e) Sale and purchase agreement dated 14 June 2024 entered into between Hock Soon Poultry Farm (as purchaser) and Em Hub Sdn Bhd (as vendor) for the acquisition of a light industrial corporate office unit held under PN 119947/M1B/7/455, Lot 67506, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan measuring approximately 3,369 sq ft bearing postal address B-06-01 Kompleks Perindustrian EmHub, Persiaran Surian, Seksyen 3, Taman Sains Selangor, Kota Damansara, 47810 Petaling Jaya, Selangor at the total cash consideration of RM2,172,000.00, which was completed on 2 September 2024. As at LPD, it is currently vacant and intended to be used as our corporate office;

(f) Sale and purchase agreement dated 27 December 2022 entered into between Hock Soon Poultry Farm (as purchaser) and YKT Property Sdn Bhd (as vendor) for the acquisition of a piece of leasehold land held under Pajakan Mukim 5000, Lot 11263, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan measuring approximately 232,823 sq ft at the total cash consideration of RM4,144,249.40, which was completed on 6 April 2023. As at LPD, it is currently vacant and intended for future sale;

(g) Sale and purchase agreement dated 23 December 2024 entered into between Hock Soon Poultry Farm (as purchaser) and Soo Seong Poo, Tean Chien Sing, Tean Chien Soon, Tean Chien Wen, Tean Seang Poh, Tean Seng Kot, Tean Seng Teng, Tean Siang Aun, Tean Sing Ee, and Tean Xiao Ling (collectively as vendors) for the acquisition of a piece of agriculture land held under Geran 65906, Lot 802, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan measuring approximately 19.612 Ha (equivalent to 2,110,932 sq ft) at the total cash consideration of RM9,692,446.52, which was completed on 27 February 2025. As at LPD, it is currently vacant and intended to be used as our new poultry farm at Teluk Intan Lands, further details are set out in Section 4.9.1(a);

(h) Sale and purchase agreement dated 23 December 2024 entered into between Hock Soon Poultry Farm (as purchaser) and Soo Seong Poo, Tean Chien Sing, Tean Chien Soon, Tean Chien Wen, Tean Seng Kot, Tean Siang Aun, Tean Sing Ee, and Tean Xiao Ling for the acquisition of 2 pieces of agriculture land held under Geran Mukim 493, Lot 218, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan and Geran Mukim 494, Lot 219, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan measuring approximately 0.6576 Ha (equivalent to 70,783 sq ft) and 1.0269 Ha (equivalent to 110,535 sq ft) respectively at the total cash consideration of RM832,496.75, which was completed on 27 February 2025. As at LPD, it is currently vacant and intended to be used as our new poultry farm at Teluk Intan Lands, further details are set out in Section 4.9.1(a);

(i) Conditional share sale agreement dated 13 March 2025 entered into between our Company (as purchaser) and Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe (collectively as vendors) for the Acquisition of Hock Soon Poultry Farm, which was completed on [•]; and

(j) Underwriting agreement dated [•] between our Company and M&A Securities for the underwriting of 37,500,000 Issue Shares for an underwriting commission of [•]% of the IPO price multiplied by the number of Issue Shares underwritten.

6.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to LPD, there were:

(a) No public take-over offers by third parties in respect of our Shares; and

(b) No public take-over offers by our Company in respect of other companies' shares.

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6.7 MAJOR APPROVALS AND LICENCES

As at LPD, there are no other major approvals, licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(a)	Hock Soon Poultry Farm	Majlis Daerah Tapah	25 September 2024/ 24 September 2025	Signboard licence and business premise licence for poultry farming at PT 14324, Lot 3164, 35500 Bidor, Perak	Nil	Not applicable
(b)	Hock Soon Poultry Farm	Majlis Daerah Tapah	20 November 2024/ 19 November 2025	Signboard licence and business licence for poultry farming at Lot 3860, PT 14323, PT 14324, 35500 Bidor, Perak	Nil	Not applicable
(c)	Hock Soon Poultry Farm	Majlis Daerah Tapah	13 March 2025/ 31 December 2025	Temporary permit for temporary structure on PT 14324, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan(1)	Application for the renewal of the temporary building permit shall be made 60 days before the expiry of the temporary permit.	Noted
(d)	Hock Soon Poultry Farm	DVS	13 March 2025(2)/ 31 December 2025	Licence to operate or carry on poultry farming at a capacity of 3,000,000 chickens at Batu 4, Jalan Sungkai, 35500 Bidor, Perak	Licence is not transferable.	Complied
(e)	Hock Soon Poultry Farm	Feed Board	3 January 2025/ 31 December 2025	Certificate of Registration of manufacture of feed or feed additives issued to Ong Keat Qian(3) from Hock Soon Poultry Farm	(i) The certificate of registration is not transferable.	Complied
					(ii) The applicant shall comply with the requirements under the Feed Act 2009 or any other relevant legislation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
					(iii) Renewal application shall be made 30 days before the date of expiry of the certificate.	Noted
(f)	Hock Soon Poultry Farm	Feed Board	3 January 2025/ 31 December 2025	Licence to import feed or feed additive issued to Ong Keat Qian[4] from Hock Soon Poultry Farm to import the following using Lumut Port, West Klang Port, Pasir Gudang Port, Malaysian International Tuna Port Batu Maung, South Klang Port, Tanjung Puteri or Tanjung Pelepas Port as an entry point: • Maize from USA • Sunflower meal from Ukraine • Rhodimet AT88 from Spain • Rhodimet AT88 from China • Rovabio Advance P 25 from Singapore	Nil	Not applicable
(g)	Hock Soon Poultry Farm	JAKIM	1 January 2025/ 31 December 2026	To certify that the chicken eggs manufactured/ distributed/ managed by Hock Soon Poultry Farm has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of Jabatan Agama Islam Perak	(i) This certificate and the Malaysian halal logo shall not be traded, transferred nor shall its content be altered. (ii) The use of the certificate is subject to the laws and regulations that are currently in force.	Complied Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
					(iii) Any subsequent changes to the particulars of the name or address of the company factory or premise, brands, ingredients, suppliers or anything related shall be informed in writing to JAKIM and/ or the State Islamic Religious Council/ Department for further action.	Complied
					(iv) The certificate may be suspended or withdrawn at any time by JAKIM, Majlis Agama Islam Negeri/ Jabatan Agama Islam Negeri or the Ministry of Domestic Trade and Cost of Living ("**KPDN**") if there is doubt in terms of Islamic Law or violation of any laws or regulations that are currently in force.	Complied
					(v) The certificate holder shall exhibit the logo on the product/ premise/ services as stated in the certificate.	Complied
					(vi) The certificate shall be signed by the certificate holder and shall be submitted to competent authorities in charge of the certification application.	Complied

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
					(vii) The certificate shall be exhibited only at the address as stated in certificate.	Complied
					(viii) The use of the logo on the approved product/ premise/ service shall be accompanied by the reference number and standard number as stated in the certificate for such product/ premise/ service.	Complied
					(ix) Renewal application shall be submitted at the earliest 6 months or no later than 3 months before the expiry of the halal certificate.	Noted
(h)	Hock Soon Poultry Farm	MOH	12 November 2024/ 12 November 2027	Registration No.: FSSM111200448-01	(i) Certificate of registration for food premise is non-transferable.	Complied
				Certificate of registration for food premise issued to Ong Boon Leng[5] from Hock Soon Poultry Farm	(ii) Certificate of registration shall be displayed in the premises.	Complied
(i)	Hock Soon Poultry Farm	MOH	6 November 2023/ 5 November 2026	To certify that Hock Soon Poultry Farm has fulfilled the terms and conditions for certification of MeSTI	The MeSTI certificate and logo shall not be transferred nor shall its contents be altered.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(j)	Hock Soon Poultry Farm	DVS	1 January 2024/ 31 December 2025	To certify that Hock Soon Poultry Farm has fulfilled the requirements of DVS and Malaysian Good Agricultural Practices (myGAP) Livestock Sector	Poultry farms shall comply and maintain Good Animal Husbandry Practices (GAHP) as well as conditions imposed by DVS.	Complied
(k)	Hock Soon Poultry Farm	Malaysian Palm Oil Board	1 October 2024/ 30 September 2025	Licence to purchase, move and store processed palm oil at Batu 4, Jalan Sungkai, Bidor, 35500 Batang Padang, Perak	Nil	Not applicable
(l)	Hock Soon Poultry Farm	Malaysian Palm Oil Board	28 August 2020/ 31 July 2025	Licence to sell and move palm fruit at Lot 13000, 3858 and 3838, Mukim Bidor, Daerah Batang Padang, Perak	Nil	Not applicable
(m)	Hock Soon Poultry Farm	KPDN	14 December 2023/ 13 December 2026	Permit to purchase and store the following scheduled controlled goods at Lot 3860, 3839, 3228, 4749 and 4750, Batu 4, Jalan Sungkai, 35500 Bidor, Perak:	(i) The permit holder shall keep or have in possession of the scheduled controlled goods not exceeding the quantity permitted in this permit.	Complied
				Cooking Oil (Non-Subsidy)/ 48,000 kg	(ii) The purchase of the scheduled controlled goods is only for personal use and not for resale.	Complied
					(iii) The permit is not transferable.	Complied
(n)	Hock Soon Poultry Farm	KPDN	8 March 2025/ 7 March 2026	Permit to purchase and store the following scheduled controlled goods at Batu 4, Jalan Sungkai, 35500 Bidor, Perak:	(i) The permit holder shall purchase or have in their possession the scheduled controlled goods not exceeding the quantity permitted in this permit.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
				RON 95/ 50 litres per day/ Chong Yuen @ Fong Siong (Petron), Jalan Besar, 35500 Bidor, Perak	(ii) The purchase of the scheduled controlled goods is only for personal use and not for resale.	Complied
					(iii) The permit is not transferable.	Complied
(o)	Hock Soon Poultry Farm	KPDN	18 April 2025/ 17 April 2026	Permit to purchase and store the following scheduled controlled goods at Lot 3860, 3839, 3228, 3229, 4749 and 4750, Batu 4, Jalan Sungkai, 35500 Bidor, Perak:	(i) The permit holder shall purchase or have in their possession the scheduled controlled goods not exceeding the quantity permitted in this permit.	Complied
				RON 95/ 50 litres per day/ Chong Yuen @ Fong Siong (Petron), Jalan Besar, 35500 Bidor, Perak	(ii) The purchase of the scheduled controlled goods is only for personal use and not for resale.	Complied
					(iii) The permit is not transferable.	Complied
(p)	Hock Soon Poultry Farm	KPDN	4 December 2023/ 3 December 2025	Permit to purchase and store the following scheduled controlled goods at Lot 3860, Batu 4, Jalan Sungkai, 35500 Bidor, Perak:	(i) The permit holder shall keep or have in possession of the scheduled controlled goods not exceeding the quantity permitted in this permit.	Complied
				Diesel (Euro 5) (Non-Subsidy)/ 8,000 litres	(ii) The purchase of the scheduled controlled goods is only for personal use and not for resale.	Complied
					(iii) The permit is not transferable.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(q)	Hock Soon Poultry Farm	KPDN	18 March 2025/ 17 March 2026	Permit to purchase and store the following scheduled controlled goods at Lot 3860, 3839, 3228, 3229, 4749 & 4750 Batu 4, Jalan Sungkai, 35500 Bidor, Perak:	(i) The permit holder shall keep or have in possession of the scheduled controlled goods not exceeding the quantity permitted in this permit.	Complied
				Liquefied Petroleum Gas C14 Cylinder (commercial)/ 4,000 kg	(ii) The purchase of the scheduled controlled goods is only for personal use and not for resale.	Complied
					(iii) The permit is not transferable.	Complied
(r)	Hock Soon Poultry Farm	DOSH	8 May 2025/ 7 August 2026	Certificate of fitness for unfired pressure vessel To certify that the air compressor with registration number PK PMT 2322 has been inspected and satisfied the requirement under the OSHA	Nil	Not applicable
(s)	Hock Soon Poultry Farm	DOSH	8 May 2025/ 7 August 2026	Certificate of fitness for unfired pressure vessel To certify that the air/ vacuum/ N2 Tank with registration number PK PMT 82123 has been inspected and satisfied the requirement under the OSHA	Nil	Not applicable
(t)	Hock Soon Poultry Farm	DOSH	8 May 2025/ 7 August 2026	Certificate of fitness for unfired pressure vessel	Nil	Not applicable

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
				To certify that the air receiver with registration number PK PMT 4178 has been inspected and satisfied the requirement under the OSHA		
(u)	Hock Soon Poultry Farm	DOSH	8 May 2025/ 7 August 2026	Certificate of fitness for unfired pressure vessel To certify that the air receiver with registration number PK PMT 7015 has been inspected and satisfied the requirement under the OSHA	Nil	Not applicable
(v)	Hock Soon Poultry Farm	DOSH	8 May 2025/ 7 August 2026	Certificate of fitness for unfired pressure vessel To certify that the air tank with registration number PK PMT130747 has been inspected and satisfied the requirement under the OSHA	Nil	Not applicable
(w)	Hock Soon Poultry Farm	Embassy of the Republic of Indonesia Kuala Lumpur	22 April 2025/ 21 April 2026	Registration Certificate No.: 0066.IE-KL.CA.2025	(i) The certificate is strictly non-transferable.	Complied
				Registration Certificate for the placement of Indonesian migrant workers in Malaysia at PT 14322 and PT 14324 Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(ii) The certificate is subject to suspension and/or revocation if the employment agency is found to violate provisions of Indonesian and/or Malaysian regulations.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(x)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Perak No. 1, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(y)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Perak No. 2, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(z)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	10 April 2025/ 10 April 2028	Certificate of accommodation for accommodation located at Rumah Perak No. 3, Lot PT 14322 and PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(aa)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Perak No. 4, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(bb)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Perak No. 5, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(cc)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Pulau Pinang No. 1, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(dd)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Pulau Pinang No. 2, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(ee)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Pulau Pinang No. 3, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(ff)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Pulau Pinang No. 4, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(gg)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Pulau Pinang No. 5, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(hh)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor Manager 1, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(ii)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor Manager 2, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(jj)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor No. 3, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(kk)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor No. 4, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(ll)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor No. 5, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(mm)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor No. 6, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(nn)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor No. 7, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(oo)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Selangor No. 8, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(pp)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Langkawi No. 1, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(qq)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Langkawi No. 2, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(rr)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Langkawi No. 3, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(ss)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Langkawi No. 4, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(tt)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Langkawi No. 5, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 10 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(uu)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Kedah No. 1, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 9 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(vv)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Kedah No. 2, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 9 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(ww)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Kedah No. 3, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 9 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(xx)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	12 June 2025/ 12 June 2028	Certificate of accommodation for accommodation located at Rumah Pahang, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 6 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(yy)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	25 June 2025/ 25 June 2028	Certificate of accommodation for accommodation located at Rumah Perlis, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 3 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ licences	Equity and/ or major conditions imposed	Status of compliance
(zz)	Hock Soon Poultry Farm	Department of Labour Peninsular Malaysia	25 June 2025/ 25 June 2028	Certificate of accommodation for accommodation located at Rumah Johor, Lot PT 14324, Batu 4, Jalan Sungkai, 35500 Bidor, Perak	(i) The accommodation shall not house more than 2 persons.	Complied
					(ii) The certificate holder shall comply with the provisions of the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) 2020.	Complied
					(iii) There shall be no rent or charges imposed on the employees residing at the accommodation.	Complied
					(iv) The certificate holder shall report the occupation of the employees at the accommodation within thirty days from the date of occupation.	Complied
					(v) The certificate holder shall report the cessation of the operation of the accommodation.	Complied
					(vi) The certificate shall be exhibited at a conspicuous area on the exterior wall of the accommodation.	Complied

Notes:

(1) Our Group had on 23 December 2024 obtained approval for the architectural plan from the Fire and Rescue Department of Malaysia. The Fire and Rescue Department of Malaysia will conduct a compliance inspection as part of the application for CCC. Our Group expects to submit an application to the Majlis Daerah Tapah for the CCC after the issuance of compliance letter by the Fire and Rescue Department of Malaysia.

(2) The application for renewal of the licence must be submitted not less than 3 months before the expiry date of the subsisting licence. Our Group had in the past submitted our application for renewal in the month of September each year and DVS will usually issue the licence between the months of February to April of the following year.

(3) The Feed Act 2009 and the Feed (Manufacture and Sale of Feed or Feed Additive) Regulations 2012 govern the application and issuance of the certificate of registration of manufacture of feed or feed additives. The application form for the said certificate of registration is prescribed in the Feed (Manufacture and Sale of Feed or Feed Additive) Regulations 2012 wherein the applicant is an individual. Once the application for the certificate of registration is approved, the certificate of registration is issued in the name of the applicant.

(4) The Feed Act 2009 and the Feed (Licence to Import Feed or Feed Additive) Regulations 2012 govern the application and issuance of the licence to import feed or feed additive. The application form for said licence is prescribed in the Feed (Licence to Import Feed or Feed Additive) Regulations 2012 wherein the applicant is an individual. Once the application for the licence is approved, the licence is issued in the name of the applicant. For clarity, our Group imports Rhodimet AT88 (sourced from Spain and China) and Rovabio Advance P (sourced from Singapore) through a supplier based in Singapore for FYE 2022 to 2024. For maize and sunflower meal, our Group procures such raw materials and ingredients from local suppliers that import from Argentina and Brazil for FYE 2022 to 2024. If our Group decides to source from overseas suppliers, such raw materials and ingredients must originate from the countries as specified in our import licence.

(5) The Food Act 1983 and the Food Hygiene Regulations 2009 govern the application and issuance of the certificate of registration for food premise. The certificate of registration as prescribed in the Food Hygiene Regulations 2009 is granted to an individual.

As at LPD, our Group has not faced any issues in relation to renewal of our approvals, licences and permits or any breach of the conditions imposed in the approvals, licences and permits, which will have material adverse impact on our operations.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.8 INTELLECTUAL PROPERTIES

As at LPD, our Group does not own and has not applied for the registration of any other intellectual properties other than those disclosed below:

No.	Trademarks	Registered owner or applicant/ Trademark no. or application no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
(a)		Hock Soon Poultry Farm/ 2013010926	MyIPO/ Malaysia	29/ -(1)	Registered	2 August 2023 to 2 August 2033
(b)		Hock Soon Poultry Farm/ TM2024033442	MyIPO/ Malaysia	29/ -(2)	Accepted(4)	-(4)

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Trademarks	Registered owner or applicant/ Trademark no. or application no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
(c)		Hock Soon Poultry Farm/ TM2024033444	MyIPO/ Malaysia	35/ -(3)	Accepted(4)	-(4)
(d)		Hock Soon Poultry Farm/ TM2024033445	MyIPO/ Malaysia	29/ -(2)	Accepted(4)	-(4)
(e)		Hock Soon Poultry Farm/ TM2024033446	MyIPO/ Malaysia	35/ -(3)	Accepted(4)	-(4)

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Trademarks	Registered owner or applicant/ Trademark no. or application no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
(f)		Hock Soon Poultry Farm/ TM2024033447	MyIPO/ Malaysia	29/ -(2)	Accepted(4)	-(4)
(g)		Hock Soon Poultry Farm/ TM2024033451	MyIPO/ Malaysia	35/ -(3)	Under substantive examination(5)	-(5)
(h)	HOCK SOON	Hock Soon Poultry Farm/ TM2024035298	MyIPO/ Malaysia	29/ -(2)	Under substantive examination(6)	-(6)

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Trademarks	Registered owner or applicant/ Trademark no. or application no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
(i)	HOCK SOON	Hock Soon Poultry Farm/ TM2024035300	MyIPO/ Malaysia	35/ -(3)	Under substantive examination(6)	-(6)

Notes:

(1) Egg products; Egg rolls; Egg white solids; Egg yolk solids; Egg-based foodstuffs; Eggs; Fluid egg; Fluid egg-yolk; Fluid white of egg; Food products made from eggs; Liquid egg yolks; Pickled eggs; Preparations made wholly or principally of eggs; Snack foods made from eggs; White of eggs; Whole egg solids; Yolk of eggs.

(2) Eggs; Poultry eggs and egg products; Egg whites; Egg yolks; Pickled eggs; Century eggs; Hen eggs; Liquid eggs.

(3) Administration of frequent flyer programs; Administration of consumer loyalty programs; Administrative processing of purchase orders; Advertising; Publicity; Rental of advertising space; Advertising by mail order; Rental of advertising time on communication media; Production of advertising films; Book-keeping; Accounting; Business management assistance; Business inquiries; Business auditing; Business appraisals; Business investigations; Business organisation consultancy; Business research; Business information; Providing business information via a web site; Cost price analysis; Development of advertising concepts; Financial auditing; Invoicing; Layout services for advertising purposes; Market studies; Marketing research; Marketing; Modelling for advertising or sales promotion; Online advertising on a computer network; Organisation of exhibitions for commercial or advertising purposes; Organisation of trade fairs for commercial or advertising purposes; Outdoor advertising; Pay per click advertising; Presentation of goods on communication media, for retail purposes; Public relations; Radio advertising; Sales promotion for others; Scriptwriting for advertising purposes; Search engine optimisation for sales promotion; Search engine optimisation for sales promotion; Targeted marketing; Production of

teleshopping programmes; Television advertising; Transcription of communications (office functions); Typing; Updating of advertising material; Web site traffic optimisation; Web indexing for commercial or advertising purposes; Word processing; Writing of publicity texts.

(4) The applications were submitted on 25 October 2024 and have been accepted by the registrar as at LPD. The registrar shall thereafter publish the applications in the Intellectual Property Official Journal. If no opposition is filed within 2 months from the date of publication, a notice of registration shall be issued to Hock Soon Poultry Farm. Hock Soon Poultry Farm shall then pay the requisite fee and a certificate of registration will be issued thereafter.

(5) The applications were submitted on 25 October 2024 which are under substantive examination by MyIPO as at LPD. Barring any unforeseen circumstances, the registration of trademark is estimated to be approved within 12 to 18 months from the date of filing the application. Our Group's business operations are not materially dependent on the abovementioned trademark.

(6) The applications were submitted on 11 November 2024 which are under substantive examination by MyIPO as at LPD. Barring any unforeseen circumstances, the registration of trademark is estimated to be approved within 12 to 18 months from the date of filing the application. Our Group's business operations are not materially dependent on the abovementioned trademark.

Our Group currently sells table eggs as unbranded or branded. Trademark No. 2013010926 which is already registered, is used for our branded ordinary eggs, and the other trademarks which are pending registration are used for our premium eggs. Our Group's business operations are not materially dependent on the abovementioned trademarks. As such, in the event that we are unable to register the trademarks, our Group does not expect any material impact to its operations and/ or financial performance. For FYE 2022 to 2024, revenue from our own branded eggs (both ordinary and premium) constituted an aggregate of 4.6%, 12.3% and 8.1% of our total revenue.

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6. INFORMATION ON OUR GROUP *(Cont'd)*

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

The summary of the material properties owned by our Group as at LPD is set out below:

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
	Bidor Integrated Farm					
(a)	Hock Soon Poultry Farm/ Batu 4, Jalan Sungkai, 35500 Bidor, Perak/ Geran 23951 Lot 3860, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	Closed-house chicken coops, sorting and grading station, workers' accommodation and office erected on a piece of freehold agriculture land/ 31 closed-house chicken coops, sorting and grading station, workers' accommodation and office/ Freehold/ Agriculture	2,079,986/ 562,683	24 December 1990/ 13 March 2024	Agriculture – Poultry/ None/ (a) Leased part of the land to Tenaga Nasional Berhad for 30 years from 15 July 1997 to 14 July 2027. (b) Leased part of the land to Tenaga Nasional Berhad for 30 years from 5 July 2013 to 4 July 2043.	4,109

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(b)	Hock Soon Poultry Farm/ Batu 4, Jalan Sungkai, 35500 Bidor, Perak/ H.S. (D) 62013 PT 14322, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	Feed mill comprising of warehouse for processing chicken feed and soya beans, warehouse for corn, workers' accommodations and office erected on a piece of freehold industrial land 1 warehouse for processing chicken feed, 1 warehouse for processing soya beans, 1 warehouse for corn, 3 workers' accommodation and 1 office/ Freehold/ Industrial	282,241/ 63,104	25 August 1975/ 13 March 2024	Medium industry – Chicken feed processing plant/ None/ Charge in favour of Bank Pertanian Malaysia Berhad registered on 27 August 2024	558
(c)	Hock Soon Poultry Farm/ Batu 4, Jalan Sungkai, 35500 Bidor, Perak/ H.S.(D) 62015 PT 14324, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	Closed-house chicken coops and workers' accommodation erected on a piece of freehold agriculture land[(1)]/ 4 closed-house chicken coops, 2 of which are being constructed and 3 workers' accommodations/ Freehold/ Agriculture	674,434/ 91,415	25 August 1975/ 13 March 2024 and 14 May 2025[(1)]	Poultry/ None/ Charge in favour of Bank Pertanian Malaysia Berhad registered on 27 August 2024	1,332

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(d)	Hock Soon Poultry Farm/ Batu 4, Jalan Sungkai, 35500 Bidor, Perak/ H.S.(D) 62014 PT 14323, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	Electricity substation erected on a piece of freehold industrial land/ Electricity substation Freehold/ Industrial	301/ 301	25 August 1975/ 13 March 2024	Heavy industry – Electrical substation site/ None/ None	<1
	<u>Teluk Intan Lands</u>					
(e)	Hock Soon Poultry Farm/ Not applicable/ Geran Mukim 493, Lot 218, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan	A piece of freehold land/ Palm fruit plantation/ Freehold/ None	70,783 Not applicable	23 December 2024	None/ None/ Charge in favour of Bank Pertanian Malaysia Berhad registered on 26 February 2025	(2)Not applicable
(f)	Hock Soon Poultry Farm Geran Mukim 494 Lot 219, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit plantation/ Freehold/ Agriculture	110,535 Not applicable	23 December 2024	Commercial Plantation – Oil Palm/ None/ Charge in favour of Bank Pertanian Malaysia Berhad registered on 26 February 2025	(2)Not applicable

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(g)	Hock Soon Poultry Farm Geran 65906, Lot 802, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit plantation/ Freehold/ Agriculture	2,111,018 Not applicable	23 December 2024	Commercial Plantation – Rubber / Oil Palm/ None/ Charge in favour of Bank Pertanian Malaysia Berhad expected to be registered by April 2025	(2)Not applicable
	Lands					
(h)	Hock Soon Poultry Farm/ Not applicable/ Geran 55967 Lot 2832, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	246,935/ Not applicable	10 December 2013/ Not applicable	Agriculture/ None/ None	453
(i)	Hock Soon Poultry Farm/ Not applicable/ Geran 56238 Lot 2833, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	250,196/ Not applicable	10 December 2013/ Not applicable	Agriculture/ None/ None	459

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(j)	Hock Soon Poultry Farm/ Not applicable/ Geran 48404 Lot 3164, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	Temporary structure erected on a piece of freehold agriculture land[3]/ Disinfecting lorry and weighbridge/ Freehold/ Agriculture	59,707/ 1,965	10 December 2003/ [3]Not applicable	Commercial plantation – Rubber/ Oil palm/ None/ None	109
(k)	Hock Soon Poultry Farm/ Not applicable/ Geran 54499 Lot 3838, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	525,989/ Not applicable	15 September 2009/ Not applicable	Commercial plantation – Oil Palm/ None/ Charge in favour of OCBC Bank (Malaysia) Bank Berhad registered on 30 May 2012	806
(l)	Hock Soon Poultry Farm/ Not applicable/ Geran 54507 Lot 3855, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	73,098/ Not applicable	31 October 2011/ Not applicable	Commercial plantation – Rubber/ Oil palm/ None/ None	147

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(m)	Hock Soon Poultry Farm/ Not applicable/ Geran 54508 Lot 3856, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	42,281/ Not applicable	31 October 2011/ Not applicable	Commercial plantation – Rubber/ Oil palm/ None/ None	85
(n)	Hock Soon Poultry Farm/ Not applicable/ Geran 54510 Lot 3858, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	728,814/ Not applicable	15 September 2009/ Not applicable	Commercial plantation – Oil Palm/ None/ Charge in favour of OCBC Bank (Malaysia) Bank Berhad registered on 30 May 2012	1,118
(o)	Hock Soon Poultry Farm/ Not applicable/ Geran 55148 Lot 5128, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting Freehold/ Agriculture	713,023/ Not applicable	5 July 2002/ Not applicable	Commercial plantation – Oil Palm/ None/ None	305

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(p)	Hock Soon Poultry Farm/ Not applicable/ Geran 108537 Lot 6076, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	205,365/ Not applicable	1 September 2016/ Not applicable	Agriculture – Plantation of tapioca and paddy is not allowed/ None/ None	320
(q)	Hock Soon Poultry Farm/ Not applicable/ Geran 109032 Lot 6077, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting Freehold/ Agriculture	217,657/ Not applicable	1 September 2016/ Not applicable	Agriculture – Plantation of tapioca and paddy is not allowed/ None/ None	340
(r)	Hock Soon Poultry Farm/ Not applicable/ Geran 109018 Lot 6083, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	176,033/ Not applicable	31 October 2011/ Not applicable	Commercial plantation – Rubber/ Oil palm/ None/ None	353

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(s)	Hock Soon Poultry Farm/ Not applicable/ Pajakan Mukim 5000, Lot 11263, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of leasehold industrial land/ Vacant/ Leasehold ending on 25 June 2090 (approximately 65 years remaining as at LPD)/ Industrial	232,823/ Not applicable	27 December 2022/ Not applicable	Light Industrial/ The land cannot be transferred or leased except with the written consent from the Chief Minister of Perak/ Private caveat lodged by Hock Soon Poultry Farm on 9 January 2023	4,144
(t)	Hock Soon Poultry Farm/ Not applicable/ Geran 123892 Lot 12974, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	193,643/ Not applicable	21 January 2008/ Not applicable	Orchard[(4)]/ None/ None	131
(u)	Hock Soon Poultry Farm/ Not applicable/ Geran 123934 Lot 13000, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	458,327/ Not applicable	15 September 2009/ Not applicable	Orchard[(4)]/ None/ None	701

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(v)	Hock Soon Poultry Farm/ Not applicable/ Geran 123936 Lot 13002, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	A piece of freehold agriculture land/ Palm fruit harvesting/ Freehold/ Agriculture	2,100,039/ Not applicable	31 October 2011/ Not applicable	Orchard[(4)]/ None/ None	4,230
	<u>Investment Properties</u>					
(w)	Hock Soon Poultry Farm/ B-11-2, Casa Kiara 1, Jalan Kiara 3, Mont Kiara, 50480 Kuala Lumpur/ Geran Mukim 7323/M2/11/157, Lot 58694, Mukim Batu, Wilayah Persekutuan Kuala Lumpur	A unit of apartment located in a 22 - storey apartment/ Vacant and is intended for rent or sale/ Freehold/ Building	Not applicable/ 1,259	13 October 2003/ 4 October 2006	Apartment/ None/ None	258
(x)	Hock Soon Poultry Farm/ K-GF-2, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor/	Intermediate office unit on the ground floor of shop-offices/ Vacant/ Leasehold ending on 14 November 2107 (approximately 82 years remaining as at LPD)/	Not applicable/ 1,920	13 February 2012/ 22 January 2014	Commercial building/ The land can be transferred, leased or charged with the written consent from the State Authority/	1,164

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area sq ft	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024 RM'000
	Master Title PN 96661 Lot 53635, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan(5)	Building			None	
(y)	Hock Soon Poultry Farm/ K-1F-2, Garden Office @ Encorp Strand, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor/ Master Title PN 96661 Lot 53635, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan(5)	Intermediate office unit on the first floor of shop-offices/ Vacant/ Leasehold ending on 14 November 2107 (approximately 82 years remaining as at LPD)/ Building	Not applicable/ 1,642	13 February 2012/ 22 January 2014	Commercial building/ The land can be transferred, leased or charged with the written consent from the State Authority/ None	1,087
(z)	Hock Soon Poultry Farm/ Unit F-1, Level 1, Block F, Sunway PJ51A, Jalan SS9A/19, Seri Setia, 47300 Petaling Jaya, Selangor/ PN 112726/M1-A/2/16, Lot 23920 Seksyen 32, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor Darul Ehsan	Intermediate office unit on the first floor of shop-offices/ Tenanted to a non-related party for use as tuition center/ Leasehold ending on 1 July 2109 (approximately 84 years remaining as at LPD)/ Building	Not applicable/ 1,722	12 June 2009/ 18 March 2011	Commercial building/ The land can be transferred, leased or charged with the written consent from the State Authority/ None	413

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(aa)	Hock Soon Poultry Farm/ C-3A-07, Sunway Nexis, No. 1, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor/ PN 94193/M1-D/5/205, Lot 65670, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan	Intermediate office unit on the fourth floor of shop-offices/ Tenanted to a non-related party for use as office/ Leasehold ending on 23 November 2100 (approximately 75 years remaining as at LPD)/ Building	Not applicable/ 1,259	26 January 2011/ 31 October 2014	Commercial building/ The land cannot be transferred, leased or charged except with the written consent from the State Authority/ None	687
(bb)	Hock Soon Poultry Farm/ C-3A-08, Sunway Nexis, No. 1, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor/ PN 94193/M1-D/5/206, Lot 65670, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan	Intermediate office unit on the fourth floor of shop-offices/ Tenanted to a non-related party for use as office/ Leasehold ending on 23 November 2100 (approximately 75 years remaining as at LPD)/ Building	Not applicable/ 1,313	26 January 2011/ 31 October 2014	Commercial building/ The land cannot be transferred, leased or charged except with the written consent from the State Authority/ None	719

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of purchase/ Date of CCC	Express conditions/ Restrictions-in-interest/ Encumbrance	Audited NBV as at 30 September 2024
			sq ft			RM'000
(cc)	Hock Soon Poultry Farm/ C-3A-09, Sunway Nexis, No. 1, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor/ PN 94193/M1-D/5/207 Lot 65670, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan	Corner office unit on the fourth floor of shop-offices/ Tenanted to a non-related party for use as office/ Leasehold ending on 23 November 2100 (approximately 75 years remaining as at LPD)/ Building	Not applicable/ 1,636	26 January 2011/ 31 October 2014	Commercial building/ The land cannot be transferred, leased or charged except with the written consent from the State Authority/ None	893
	Corporate office					
(dd)	Hock Soon Poultry Farm/ B-06-01 Kompleks Perindustrian EmHub, Persiaran Surian, Seksyen 3, Taman Sains Selangor, Kota Damansara, 47810 Petaling Jaya, Selangor/ PN 119947/M1B/7/455, Lot 67506, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan	Corner office unit on the sixth floor of light industrial corporate office/ Vacant to be used as our corporate office/ Leasehold ending on 19 January 2107 (approximately 82 years remaining as at LPD)/ Industrial	Not applicable/ 3,369	14 June 2024/ 20 July 2023	Medium industry/ The land cannot be transferred, leased or charged except with the written consent from the State Authority/ Charge in favour of Maybank Islamic Berhad on 28 June 2024	1,953
						26,874

Notes:

(1) CCC for the 3 workers' accommodation has been obtained on 13 March 2024. In addition, the CCC for 4 closed-house chicken coops, 4 workers' accommodation and 1 egg collection store located on PT 14324, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan has been obtained on 14 May 2025.

(2) The Teluk Intan Lands were purchased by our Group subsequent to FYE 2024, details as set out in Sections 6.9.3(c) and (d).

(3) Temporary building permit with validity period commencing 13 March 2025 to 31 December 2025 was obtained for temporary structure for disinfecting lorry and weighbridge on Geran 48404, Lot 3164, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan.

(4) The applications were submitted on 21 October 2024 to change the express conditions of the land to Commercial Plantation - Palm Oil. The applications are estimated to be approved within 6 to 12 months from the date of filing the application.

(5) As at LPD, the property is still under the master title as the strata titles for each individual unit has yet to be issued.

The property owned by our Group is not in breach of any land use conditions, statutory requirements, land rules or building regulations/ by-laws, which will have material adverse impact on our operations as at LPD. Save as disclosed in Note (1) above, our properties have obtained all the necessary licenses and certificates.

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6.9.2 Properties rented by our Group

As at LPD, our Group does not have any rented property.

6.9.3 Acquisition of properties

Save as disclosed below, our Group has not acquired nor entered into any agreements to acquire any properties during FYE 2022 to 2024 and up to LPD:

No.	Date of purchase	Vendor	Title details	Existing and proposed usage	Purchase value
					RM'000
(a)	14 June 2024	Em Hub Sdn Bhd	PN 119947/M1B/7/455, Lot 67506, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan, bearing postal address: B-06-01, Kompleks Perindustrian EmHub, Persiaran Surian, Seksyen 3, Taman Sains Selangor, Kota Damansara, 47810 Petaling Jaya, Selangor	Vacant light industrial corporate office to be used as our corporate office	2,172
(b)	27 December 2022	YKT Property Sdn Bhd	Pajakan Mukim 5000, Lot 11263, Mukim Bidor, Daerah Batang Padang, Negeri Perak Darul Ridzuan	Vacant land to be held for future sale	4,144
(c)	23 December 2024	(i) Soo Seong Poo (ii) Tean Chien Sing (iii) Tean Chien Soon (iv) Tean Chien Wen (v) Tean Seang Poh (vi) Tean Seng Kot (vii) Tean Seng Teng (viii) Tean Siang Aun (ix) Tean Sing Ee (x) Tean Xiao Ling	All that piece of agriculture land held under Geran 65906, Lot 802, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan	Vacant land to be used for the development into our new poultry farm at Teluk Intan Lands	9,693

6. INFORMATION ON OUR GROUP *(Cont'd)*

No.	Date of purchase	Vendor	Title details	Existing and proposed usage	Purchase value
					RM'000
(d)	23 December 2024	(i) Soo Seong Poo (ii) Tean Chien Sing (iii) Tean Chien Soon (iv) Tean Chien Wen (v) Tean Seng Kot (vi) Tean Siang Aun (vii) Tean Sing Ee (viii) Tean Xiao Ling	2 pieces of agriculture land held under Geran Mukim 493, Lot 218, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan and Geran Mukim 494, Lot 219, Mukim Changkat Jong, Daerah Hilir Perak, Negeri Perak Darul Ridzuan	Vacant land to be used for the development into our new poultry farm at Teluk Intan Lands	833
					16,842

Please refer to Sections 6.5(e), (f), (g) and (h) and Sections 6.9.1(e), (f), (g), (s) and (dd) for details of the abovementioned properties.

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6.9.4 Material capital expenditures and divestitures

(a) Material capital expenditures

Save for the expenditures disclosed below, there were no other capital expenditures made by us for FYE 2022 to 2024 and up to LPD:

	At cost			
	FYE 2022	FYE 2023	FYE 2024	1 October 2024 up to LPD
Capital expenditures	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Freehold land	-	(1)4,144	-	(2)10,525
Buildings	-	(3)2,160	(4)2,944	-
Farm machinery equipment and hi-tech chicken house	856	265	(5)5,066	(5)4,013
Motor vehicles, tractors and forklifts(6)	1,191	1,159	2,361	113
Office equipment, fittings and signboard	25	13	551	160
	2,072	**7,741**	**10,922**	**14,811**

Notes:

(1) During FYE 2023, we have acquired a piece of leasehold land located at Bidor, Perak for RM4.1 million. As at LPD, the land is vacant and is held for sale. Further details are disclosed in Section 6.5(f).

(2) Being the Teluk Intan Lands which we acquired with the intention to establish a new poultry farm to expand our egg production capacity. Further details are disclosed in Sections 6.5(g) and (h).

(3) Being construction of manure facilities such as manure storage as well as manure collection and drying station in FYE 2023. The facilities have been disposed to BL Ong & Sons Ventures in FYE 2024.

(4) Mainly relates to the acquisition of a light industrial corporate office unit located at Kota Damansara, Selangor for RM2.2 million in FYE 2024. As at LPD, it is vacant and intended to be used as our corporate office. Further details are disclosed in Section 6.5(e).

(5) Mainly relates to the construction works and the purchase of farm machinery equipment for the 2 closed-house chicken coops at our Bidor Integrated Farm, during FYE 2024 and up to LPD.

(6) Being the purchase of motor vehicles, tractors and forklifts for our poultry farming operations, including the handling of manure. For hygiene purposes, separate motor vehicles, tractors and forklifts were specifically used for manure handling, and such equipment has been disposed to BL Ong & Sons Ventures in FYE 2024.

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures are mainly driven by our business growth as well as for replacement purposes.

(b) Material capital divestitures

Save for the divestitures disclosed below, there were no other capital divestitures made by us for FYE 2022 to 2024 and up to LPD:

	At cost			
Capital divestitures	**FYE 2022 RM'000**	**FYE 2023 RM'000**	**FYE 2024 RM'000**	**1 October 2024 up to LPD RM'000**
Freehold land	-	-	(1)2,089	-
Buildings	-	-	(1)5,218	-
Farm machinery equipment and hi-tech chicken house	-	-	(2)966	-
Motor vehicles, tractors and forklifts(3)	610	1,595	1,830	-
Office equipment, fittings and signboard	-	-	13	-
	610	**1,595**	**10,116**	**-**

Notes:

(1) Being disposal to BL Ong & Sons Ventures of 5 pieces of vacant freehold land where the manure facilities were located, as disclosed in Sections 6.5(a) to (c) and 10.1.

(2) Being disposal of equipment and machinery owned by Hock Soon Poultry Farm for its manure facilities to BL Ong & Sons Ventures. Further details are disclosed in Sections 6.5(d) and 10.1.

(3) Being disposal of motor vehicles, tractors and forklifts used in our Bidor Integrated Farm which were no longer in use or obsolete or surpassed their useful lives. For FYE 2024, it also includes motor vehicles, tractors and forklifts used for the handling of manure operations which we disposed to BL Ong & Sons Venture, as disclosed in Section 10.1.

In relation to Notes (1) and (2), our Group has undertaken such disposals as we do not intend to undertake operation in the handling of manure and we wish to focus on poultry farming as our core business activity.

Save as disclosed in Notes (1) and (2), all our capital divestitures were carried out in the ordinary course of business as part of the periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful lives.

Other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia as at LPD.

6.9.5 Material plans to construct, expand or improve our property, plant and equipment

Save for the proposed utilisation of proceeds from our Public Issue to finance the capital expenditure as set out in Section 4.9, our Group does not have any other immediate plans to construct, expand or improve our property, plant and equipment as at LPD.

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

The following is an overview of the major laws, regulations, rules and requirements governing the conduct of our Group's business and environmental issue which may materially affect our business operations:

(a) Poultry Farming Enactment 2005

The Poultry Farming Enactment, 2005 regulates poultry farming and its related activities in the State of Perak Darul Ridzuan. The enactment requires for operators of poultry farms to be licensed and comply with the conditions imposed on the licence issued. Any person who operates or carries on poultry farming without a valid licence commits an offence and shall on conviction be liable to a fine not exceeding RM10,000 but not less than RM5,000 or to imprisonment for a term not exceeding 2 years or to both. A breach of any condition of the licence shall on conviction result in the imposition of a fine not exceeding RM5,000 or to imprisonment for a term not exceeding 6 months, or to both; and in the case of a continuing offence, to a daily fine of RM500 for each day that the offence continues to be committed.

As at LPD, our Group holds a valid licence to operate or carry on poultry farming.

(b) Feed Act 2009 and Feed (Manufacture and Sale of Feed or Feed Additive) Regulations 2012

The Feed Act 2009 ensures that animal feeds are in good quality and safe by controlling the importation, manufacture, sale and use of the feed. The objectives are to assure that the feed satisfies the nutritional requirement of animals, not harmful to animals and are not contaminated so that animals and animal products are safe for human consumption. A licence will have to be obtained from the Feed Board for the importation of feed or feed additive. Feeds that are imported or manufactured in Malaysia will have to comply with the prescribed feed specifications under the legislation. Any person who imports any feed or feed additive without a valid licence commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or to both and for a second or subsequent offence, to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 4 years or to both.

The Feed (Manufacture and Sale of Feed or Feed Additive) Regulations 2012 ("**2012 Regulations**") requires for manufacturers of feed to be registered with the Feed Board. A certificate of registration of manufacturer of feed is issued once the Feed Board is Satisfied that the applicant has fulfilled all the requirements under the 2012 Regulations. Once issued, the certificate of registration shall be valid for a period not exceeding 1 year from the date of its issuance. An application for renewal shall be made within 3 months before the expiration of the certificate of registration. Any person who manufactures or sells feed or feed additive without being registered with the Feed Board commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or imprisonment for a term not exceeding 2 years or both.

As at LPD, our Group holds a valid licence to import feed or feed additive and Hock Soon Poultry Farm is registered as a manufacture of feed or feed additive.

(c) Food Act 1983, Food Regulations 1985 and Food Hygiene Regulations 2009

The Food Act 1983 and the Food Regulations 1985 are laws and regulations governing food safety and quality control, including standards, hygiene, import and export, advertisement and accreditation of laboratories. The objective is to protect the public from health hazards and fraud in the preparation, sale and use of food and for other related matters. The legislation applies to all foods, locally produced or imported, which are sold in Malaysia and covers a broad spectrum including the standards and labelling requirements for food.

Further, the Food Hygiene Regulations 2009 requires certain food premises involved in manufacturing of food or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food to be registered. Once registered, a certificate of registration is issued by the Director for Food Safety and Quality which shall be valid for a period not exceeding 3 years from the date of issuance. An application for renewal shall be made at least 30 days before the expiry date. Any person who fails to register their food premises commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding 2 years. As at LPD, our Group holds a valid certificate of registration for its food premises

The Food Hygiene Regulations 2009 also requires for certain proprietors, owners or occupiers of food premises to provide and make available a food safety assurance programme in the food premises. Any proprietor, owner or occupier of food premises who fails to do so commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding 2 years. As at LPD, our Group has fulfilled the terms and conditions for certification of MeSTI.

(d) Trade Descriptions Act 2011

The Trade Descriptions Act 2011 aims to facilitate good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conducts and practices in relation to the supply of goods and services. Halal certification and surveillance in this country has been assigned to the government bodies by virtue of the Act.

The Trade Descriptions (Definition of Halal) Order 2011 and the Trade Descriptions (Certification and Marking of Halal) Order 2011 give specific legal proviso on matters pertaining to halal. It provides protection to traders and consumers from unhealthy trade practices. The Trade Descriptions Act (Certification and Marking of Halal) Order 2011 further standardises the issuance of Halal certificates. JAKIM is appointed as the sole issuer of halal certificates for any food, goods or related services.

Any person who supplies or offers to supply any food or goods in contravention of Trade Descriptions Act (Certification and Marking of Halal) Order 2011 commits an offence and shall, on conviction, be liable, if such person is a body corporate, to a fine not exceeding RM200,000, and for a second or subsequent offence, to a fine not exceeding RM500,000. Besides, it shall also be an offence for any body corporate that supplies or offers to supply any food or goods which are described as Halal or are described in any other expression in contravention of the Trade Descriptions (Definition of Halal) Order 2011 and shall, on conviction, be liable to a fine not exceeding RM5,000,000 and for a second or subsequent offence to a fine not exceeding RM10,000,000.

As at LPD, our Group is in compliance with the relevant provisions under the Trade Descriptions Act 2011 and the regulations thereunder and holds a valid Halal Certificate of Authentication.

(e) Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 ("**OSHA**") requires employers to secure the safety, health and welfare of persons at work and protection against risks to safety or health in connection with the activities of persons at work.

Section 30 of OSHA reads that, every employer with 40 or more employees employed at any place of work or as directed by the Director General of Department of Occupational Safety and Health is required to establish a safety and health committee at the place of work, failing which, such employer shall be guilty of an offence and on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

Following the 2022 amendments to OSHA which came into force on 1 June 2024, Section 29A of OSHA imposes a duty on every employer who is not required to appoint a safety and health officer to appoint an occupational safety and health coordinator if there are five or more employees at the place of work.

Section 27D of OSHA reads that, any person who operates or cause or permits to be operated any plant without a valid certificate of fitness, shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

As at LPD, our Group is in compliance with the relevant provisions under the OSHA and has established a safety and health committee and appointed a safety and health coordinator and our plants have been issued with valid certificates of fitness by DOSH

(f) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990

The Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("**EMSHA 1990**") prescribes the minimum standards of housing for employees and matters incidental thereto.

Section 24D of the EMSHA 1990 reads that no accommodation shall be provided to an employee unless certified with a certificate of accommodation obtained from the Department of Labour Peninsular Malaysia. Failure to obtain a Certificate for Accommodation by an employer shall constitute an offence and shall on conviction be liable to a fine not exceeding RM50,000.

As at LPD, our Group holds 29 valid certificates of accommodation which allows a maximum of 236 employees to reside at the premises. In addition, we have engaged a certified centralised accommodation provider to provide accommodation for 34 of our foreign employees. The said accommodation provider holds a valid certificate of accommodation for the centralized accommodation occupied by our foreign employees.

(g) Immigration Act 1959/63

The Immigration Act regulates various aspects of immigration into Malaysia, including the entry of foreign workers into Malaysia.

Any person who employs one or more persons, other than a citizen or a holder of an entry permit who is not in possession of a valid pass to enter Malaysia shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each of such employee.

As at LPD, all of the foreign workers employed by our Group possess valid passes.

(h) Malaysian Quarantine and Inspection Services Act 2011

The Malaysian Quarantine and Inspection Services Act 2011 ("**MQISA**") governs the licensing requirements for imports and exports, establish and manage quarantine stations, and conduct in inspection and certification of premises of the exporting country. The objectives are to ensure that the plants, animals, carcass, fish and agricultural produce, soils, microorganisms and food that are imported into and exported out of Malaysia complies with the health aspect of human, animals, plants, fish and food safety.

Pursuant to the MQISA, any person who is involved in the importation and exportation of any agricultural produce without a permit or licence issued under the MQISA commits an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 6 years or to both and, for a second or subsequent offence to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding 7 years or to both.

As at LPD, our Group has obtained export permits for each occasion our poultry eggs are exported from Malaysia to Hong Kong.

(i) Animals Act 1953

The Animals Act 1953 governs the prevention of spreading diseases of animals and birds into Peninsular Malaysia, the licensing requirement of importation and exportation of animals and birds and their eggs into or from Peninsular Malaysia. The Animals Act 1953 prohibits, amongst others, the export of any bird and their eggs without a licence issued by the Director General of Quarantine and Inspection under the MQISA. Any body corporate who commits an offence under the Animals Act 1953 shall, on conviction, be liable to a fine not exceeding RM50,000. Any person who commits an offence under the Animals Act 1953 shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding 6 months or to both.

Our Group has obtained and will obtain export permits for each occasion our poultry eggs are exported from Malaysia to Hong Kong.

(j) Public Health and Municipal Services Ordinance and Imported Game, Meat, Poultry and Eggs Regulations

The Public Health and Municipal Services Ordinance is a Hong Kong legislation which empowers the Director of Food and Environmental Hygiene to issue regulations in relation to imported food, namely, the Imported Game, Meat, Poultry and Eggs Regulations. Under the said regulation, no person shall import eggs without a health certificate and any person who fails to comply with any requirement under the regulation commits an offence. An offender shall be liable on conviction to a maximum fine of HK$50,000 and to imprisonment for 6 months.

Our Group has obtained and will obtain the veterinary health certificates for each occasion our poultry eggs are exported from Malaysia to Hong Kong.

(k) Malaysian Palm Oil Board Act 1998

The Malaysian Palm Oil Board Act 1998 ("**MPOB Act**") empowers the Malaysian Palm Oil Board Act ("**MPOB**") to govern and regulate every aspect of palm oil business. The MPOB Act emphasises on the composition and the powers of MPOB. The establishment of MPOB is to promote and develop the oil palm industry of Malaysia and to develop

national objectives, policies and priorities for the orderly development and administration of the oil palm industry of Malaysia.

MPOB is responsible for regulating, registering, coordinating and promoting all activities relating to planting, supply, sale, purchase, distribution, movement, storage, surveying, testing, inspecting, brokering, export and import of oil palm products, and the milling of oil palm fruit. A person who is guilty of an offence under the MPOB Act for which no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years, or to both.

The MPOB (Licensing) Regulations 2005 regulate the palm oil licensed activities. These regulations prescribe the procedures and the relevant forms for applications for licences to, among others, produce, sell, move, store, purchase, export or import oil palm planting material, oil palm fruit, palm kernel, and other palm oil produce. A person who carries out a licensed activity without an appropriate licence issued by MPOB commits an offence and shall, on conviction, be liable to a fine not exceeding RM200,000 or to imprisonment for a term not exceeding 3 years, or to both.

We have obtained the requisite licences from the MPOB to carry out the licensed activities at our plantation estates.

(l) Price Control and Anti-Profiteering Act 2011

The Price Control and Anti-Profiteering Act 2011 ("**PCAPA**") empowers the KPDN to determine the maximum, minimum or fixed price for the manufacturing, producing, wholesaling or retailing of goods.

Any person who sells or offers to sell any price-controlled good not in accordance with the prices determined by the KPDN commits an offence under the PCAPA.

Any person who, in the course of trade or business makes unreasonably high profit in selling or offering to sell or supplying or offering to supply goods also commits an offence under the PCAPA.

Any body corporate who commits the aforementioned offences shall, on conviction, be liable to a fine not exceeding RM500,000 and, for a second or subsequent offence, to a fine not exceeding RM1,000,000. Where such person is not a body corporate, to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or to both and, for a second or subsequent offence, to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 5 years or to both.

As at LPD, our Group has not been fined, reprimanded or issued with any notice of non-compliance from the relevant authorities.

(m) Control of Supplies Act 1961

The Control of Supplies Act 1961 ("**CSA**") is enforced by the KPDN and it provides for the control and rationing of supplies in Malaysia. Offences under the Control of Supplies Regulations 1974 include the possession of a scheduled article exceeding the prescribed quantity for use or consumption in trade or business. Any body corporate which commits an offence under the CSA shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceedingRM5,000,000. Any person, other than a body corporate, but including a director or officer of a body corporate, who commits an offence under the CSA shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 3 years or to both; and for a second or subsequent offence, to a

fine not exceeding RM3,000,000 or to imprisonment for a term not exceeding 5 years or to both.

As at LPD, our Group holds valid permits to purchase and store scheduled controlled goods which we require for our operations.

(n) Street, Drainage and Building Act 1974

The Street, Drainage and Building Act 1974 ("**SDBA**") is enforced by the local authority and it provides for the requirement of having a CCC for the occupation of any building or any part thereof.

Under the Uniform Building By-Laws 1984 ("**UBBL**") which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person i.e. an architect, registered building draughtsmen or engineer.

A qualified person must be satisfied that, to their best knowledge: (i) the relevant building has been constructed and completed in accordance with the SDBA, UBBL and the approved plans; (ii) any conditions imposed by the local authority have been satisfied; (iii) all essential services has been provided; and (iv) the prescribed certifications have been duly certified and received by him.

Any person who occupies or permits to be occupied any building or any part thereof without a CCC commits an offence under the SDBA and is punishable with a fine not exceeding RM250,000 or with imprisonment for a term not exceeding 10 years, or to both. On the other hand, any person who erects a building without permission of the local authority shall be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years, or to both, and shall be liable to a further fine of RM1,000 for every day during which the offence is continues after conviction.

In respect of the property disclosed in Sections 6.9.1(a), (b), (c) – in relation to workers' accommodation and (d), our Group occupied the buildings erected thereon without planning permission and CCC. As at LPD, the penalty of RM0.5 million has been settled by Hock Soon Poultry Farm and the CCC had already been issued to Hock Soon Poultry Farm. Our Group is of the view that there will not be any material impact to the financial condition of our business operations given that the CCC had already been issued to Hock Soon Poultry Farm and the corresponding penalty for its non-compliance has been paid. Our Group has constructed 2 new closed-house chicken coops (as detailed in Section 6.9.1(c)) during FYE 2024 and the CCC has already been issued to Hock Soon Poultry Farm on 14 May 2025.

As at LPD, our Group has obtained CCC for the buildings we occupy.

(o) National Land Code (Revised 2020)

The NLC governs land matters within Peninsular Malaysia and Labuan, where the lands of our Group are situated.

Pursuant to the NLC, the state authority may alienate land subject to such express conditions and restrictions in interest which shall be determined by the state authority at the time when the land is approved for alienation and every condition or restriction in interest imposed under this section shall be endorsed on or referred to in the document of title to the land.

In the event of breach of conditions, the land administrator has the right to either (1) impose a fine under Section 127 of the NLC after serving a notice on and requesting the proprietor to attend a hearing to show cause to the satisfaction of the land administrator, the reason that a fine should not be imposed in respect of such breach, failing which, the proprietor may be liable to pay a fine of not less than RM500 (and in the case of a continuing breach, a further fine of not less than RM100 for each day of the continuing breach); (2) request the proprietor to remedy the breach within the time stipulated in the notice served by the land administrator under Section 128 of the NLC, failing which, the land administrator may take action to enforce forfeiture of the land under Section 129 of NLC; or (3) hold an enquiry to forfeit the land under Section 129 of the NLC.

Our Group is of the view that the use of our Group's lands is consistent with their respective express conditions.

(p) Town and Country Planning Act 1976 ("TCPA")

The TCPA govern the proper control and regulation of town and country planning in Peninsular Malaysia and regulates, amongst other, modification to planning permission and building plan approval issued by local authorities.

Section 19 of the TCPA provides that no person, other than a local authority, shall commence, undertake, or carry out any development unless planning permission in respect of the development has been granted. Pursuant to Section 26(1)(b) of the TCPA, a person, who, whether at his own instance or at the instance of another person commences, undertakes, or carries out, or permits to be commenced, undertaken, or carried out, any development in contravention of Section 19 commits an offence and shall on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years or to both and, in the case of a continuing offence, to a further fine which may extend to RM5,000 for each day during which the offence continues after the first conviction for the offence.

All premises used for our business operations are complied with the TCPA.

(q) Environmental Quality Act 1974 ("EQA") and Environmental Quality (Industrial Effluent) Regulations 2009 ("EQIER")

The EQA relates to the prevention, abatement, control of pollution and enhancement of the environment and for purposes connected therewith. Unless otherwise licensed, the EQA, prohibits pollution of the atmosphere, noise, inland waters, open burning and discharge of oil into Malaysia waters in contravention of acceptable conditions.

In relation to acceptable conditions, the Minister charged with responsibility for environmental protection is empowered by the EQA to, by regulations, specify the acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area, segment or element of the environment and may set aside any area, segment or element of the environment within which the emission, discharge or deposit is prohibited or restricted.

In addition, the EQIER, a subsidiary legislation issued pursuant to the EQA is applicable to any premises which discharge or release industrial effluent or mixed effluent, onto or into any soil, or into land waters or Malaysian waters. The owner of such premises must design and construct the industrial effluent treatment system to collect and treat the industrial effluent and mixed effluent generated within the premises strictly in compliance with the Department of Environment's specifications. Any person who

contravenes the EQIER will be guilty of an offence and will, on conviction, be liable to a fine not exceeding RM100,000 or to a term of imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM1,000 a day for every day that the offence is continued after notice is served upon him by the Director General of Environmental Quality.

As at LPD, our Group has not received any notice of non-compliance with respect to the EQA and its subsidiary legislation or complaints from the public regarding environmental protection issues. Our Group is in compliance with the EQA and the EQIER and our Group will ensure continued compliance with the EQA.

6.11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our primary goal is to promote sustainable development among our stakeholders, the promotion of innovation, and the empowerment of our employees and the community. As a responsible public governance entity, we are fully devoted towards achieving sustainable development goals. Our Group has implemented, and are in the midst of implementing, the following practices:

(a) Environmental

Our Group believes in preserving and caring for the environment by adopting sustainable practices in our business activities. In managing environmental and animal welfare matters, we will focus on, amongst others, the following:

(i) to optimise energy consumption by utilising energy-efficient lighting, heating, and honeycomb air ventilation panels within our closed-house chicken coops to reduce carbon footprint;

(ii) to manage waste responsibly by channelling our chicken waste through a related party for processing into manure, which is subsequently repurposed and sold as organic fertilizer;

(iii) to minimise energy consumption and reduce our carbon footprint through our investment in renewable energy sources (solar photovoltaic panels);

(iv) to maintain clean, well-ventilated housing conditions in our closed-house chicken coops, with adequate lighting, temperature control, and routine cleaning and disinfection;

(v) to ensure consistent access to feed and clean drinking water through automated feed hoppers and drinking systems, supporting flock health, minimising wastage, and enhancing operational efficiency;

(vi) to provide a nutritionally balanced diet appropriate to each growth stage, with continuous access to clean drinking water, and oversight by the in-house veterinarian to monitor flock health and adjust feeding plans as necessary;

(vii) to ensure flocks are handled with care through routine health monitoring and animal care practices, while maintaining appropriate stocking density based on housing type to support the comfort, health, and well-being of the flock;

(viii) to reprocess and reuse wastewater to conserve water resources, with no discharge to external or public water systems;

(ix) to practice responsible sourcing by engaging suppliers that prioritise sustainability, including, where feasible, the use of locally sourced materials to help reduce transportation-related emissions; and

(x) to preserve product quality during transport by engaging logistics partners that adhere to our hygiene, handling, and biosecurity standards.

All environmental and animal welfare practices are implemented in accordance with our certifications under myGAP, HACCP MS1480:2019, GMP MS1514:2022, Halal and ISO 22000:2018, which collectively guide our compliance with food safety, animal welfare, and sustainability standards.

(b) Social

Our Group is committed to act responsibly to all our stakeholders in our business operations as well as to the community in which we operate in. We recognise that our employees are valuable assets and as such, we strive to retain and nurture skilled talent through the following practices:

(i) to adhere to rigorous standard operating procedures in line with industry regulations;

(ii) to cultivate a secure, healthy and supportive workplace environment for our employees;

(iii) to eliminate improper conduct and practices, including but not limited to discrimination against individual differences, discriminatory and sexual harassment;

(iv) to ensure equal opportunities regardless of one's age, gender, ethnicity, religion, national origin, sexual orientation, disability or any other relevant characteristics;

(v) to empower our workforce by supporting their personal and professional growth;

(vi) to cultivate a diverse and inclusive culture that recognises and values individuality; and

(vii) to contribute to the well-being and development of the surrounding community through corporate social responsibility programmes and donation.

(c) Governance

Our Group is committed to conduct our business ethically and in compliance with all relevant laws, regulations, rules and requirements as disclosed in Section 6.10. In maintaining high standards of corporate governance, our Board has progressively adopted all the applicable principles and practices as promulgated in the MCCG particularly on embracing board gender diversity and at least equal representation of independent to non-independent members.

In addition, our Group has adopted a zero-tolerance policy towards bribery where we have put in place the policies and procedures to ensure strict compliance with the Malaysian Anti-Corruption Commission Act 2009. In relation to our Group's risk management, our Group has put in place a risk management framework to monitor closely on the risk associated with our Group's business as well as the Whistleblowing Policy and Personal Data Protection Policy to ensure and promote fairness in business dealings.

6. INFORMATION ON OUR GROUP *(Cont'd)*

6.12 EMPLOYEES

As at LPD, we have a total workforce of 285 permanent employees. All our foreign employees carry valid working permits.

The breakdown of our employees as at 30 September 2024 and LPD are as follows:

	No. of employees			
	As at 30 September 2024		LPD	
	Local	Foreign	Local	Foreign
Executive Directors[1]	5	-	5	-
Key senior management	3	-	3	-
Farm operations	3	136	6	137
Projects	1	14	1	11
Feed mill operations	7	14	7	14
Sales and marketing	8	-	7	-
Production	5	87	5	84
HR and administration	3	-	3	-
Finance and accounting	1	-	2	-
Total	**36**	**251**	**39**	**246**

Note:

(1) Includes the executive director of our subsidiary, namely Mohamad Harasul Bin Harith Fadzilah.

There were no significant changes in the number of employees of our Group from 30 September 2024 up to LPD.

None of our employees belong to any labour union and over FYE 2022 to 2024 and up to LPD, there has been no labour dispute between our management and our employees. Additionally, over FYE 2022 to 2024 and up to LPD, there has not been any incident of work stoppage that has materially affected our operations.

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7. BUSINESS OVERVIEW

7.1 OUR HISTORY AND BUSINESS MILESTONES

The history of our Group can be traced back to 27 September 1979 when Hock Soon Poultry Farm was incorporated under the Companies Act 1965 as a private limited company and is deemed registered under the Act, to undertake poultry farming business to rear layer chickens for the production and sale of table eggs. Hock Soon Poultry Farm was incorporated by our late founder, Ong Kim Hock (the father of Ong Boon Leng who is our Managing Director) and Ong Boon Sing (the brother of Ong Boon Leng) who has ceased his shareholding and involvement in our Group since 1994. Prior to the incorporation of Hock Soon Poultry Farm, Ong Kim Hock had been running his poultry farming business as a sole proprietor in Klang, Selangor.

The history and milestones of our Group's business operations since the incorporation of Hock Soon Poultry Farm in 1979 are as follows:

Year	Key events and milestones
1979	• Hock Soon Poultry Farm was incorporated and we commenced our poultry farming business on a plot of land in Bidor, Perak, which remains part of our Bidor Integrated Farm as at LPD. • At this juncture, we adopted an open-house system for rearing of layer chickens that was labour intensive which required poultry feeding, egg collection and manure removal to be carried out manually. • As we commenced our poultry farming business in Bidor, Ong Boon Leng joined our Group as Farm Manager and subsequently emerged as a shareholder of Hock Soon Poultry Farm in 1980 with an equity interest of 16.6%. Please refer to Section 5.1.2(a) for the profile of Ong Boon Leng.
1985	• Our Executive Director, Lim Suk Gen (the wife of Ong Boon Leng) joined our Group as Production Supervisor and subsequently emerged as a shareholder of Hock Soon Poultry Farm in 1990 with an equity interest of 16.7%. Please refer to Section 5.1.2(b) for the profile of Lim Suk Gen.
1997	• We began to transition into a closed-house system via the construction of 3 closed-house chicken coops (i.e. 2 for mature hens and 1 for pullets), with a capacity to accommodate 80,640 mature hens and 41,472 pullets. We operated these closed-house chicken coops concurrently with the then existing open-house chicken coops. This was part of our initiative to increase the scale of our business and be less labour intensive, through the automation of several processes which included feeding, egg collection and manure disposal. The adoption of a closed-house system creates a more controlled environment which minimises the risks of contamination and disease outbreaks. Please refer to Sections 7.2.1 and 7.5.1 for further details of our closed-house chicken coops and QA and QC procedures. • With the 2 closed-house chicken coops for mature hens, we increased our egg production capacity by approximately 69,000 eggs per day. Since then, we had gradually ceased operating open-house chicken coops and focused on increasing the number of our closed-house chicken coops.

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Key events and milestones
1998	• In view of the increased egg production capacity arising from the new closed-house chicken coops, we purchased and installed an automated egg grading and sorting line with an egg grading and sorting capacity of 40,000 eggs per hour to increase the efficiency of our egg grading and sorting process. Prior to this, egg grading and sorting was carried out both manually and by using a semi-automated grading and sorting machine, which had been discontinued since then. The previous semi-automated grading and sorting machine required more human intervention by our workers as the packaging materials had to be manually fitted into the machine prior to the grading and sorting process. Further, there were fewer grading and sorting lanes in the previous semi-automated grading and sorting machine which resulted in lower grading and sorting efficiency and capacity, as compared to the new automated egg grading and sorting line.
1999	• In order to gain better control over the quality of our poultry feed and to be more self-sustainable, we purchased and installed a computerised poultry feed production line with a production capacity of 144 MT per day to automate the production of poultry feed. Prior to this, our poultry feed was produced manually in-house.
2001	• We secured an overseas customer in Hong Kong who continues to be our customer as at LPD. • We purchased and installed another automated egg grading and sorting line with an egg grading and sorting capacity of 40,000 eggs per hour, which resulted in a cumulative egg grading and sorting capacity of 80,000 eggs per hour.
2004	• With continued expansion of our business, we increased the number of our closed-house chicken coops for mature hens and pullets to 10 and 2 respectively, with a capacity to accommodate 495,936 mature hens and 96,768 pullets respectively. • With a total of 10 closed-house chicken coops for mature hens, we increased our egg production capacity to approximately 421,000 eggs per day. • We ceased our open-house chicken coops operations and fully adopted closed-house systems in all our chicken coops.
2007	• We purchased and installed a more efficient automated egg grading and sorting line with an egg grading and sorting capacity of 96,000 eggs per hour. Subsequently, we gradually ceased using the 2 existing egg grading and sorting lines purchased in 1998 and 2001.
2010	• We continued to expand the number of our closed-house chicken coops over the years until 20 and 5 closed-house chicken coops were constructed for mature hens and pullets respectively, with a capacity to accommodate 1,256,640 mature hens and 321,792 pullets respectively. • With a total of 20 closed-house chicken coops for mature hens, we increased our egg production capacity to approximately 1,068,000 eggs per day.

Year	Key events and milestones
2011	• Our Executive Director, Ong Keat Qian (the son of Ong Boon Leng) joined our Group as General Manager. Please refer to Section 5.1.2(c) for the profile of Ong Keat Qian. • We also purchased a poultry feed mixer that doubled the production capacity of our poultry feed to 288 MT per day.
2012	• We purchased and installed another automated egg grading and sorting line with an egg grading and sorting capacity of 96,000 eggs per hour, which doubled our egg grading and sorting capacity to a total of 192,000 eggs per hour. • We obtained the Halal certification for our table eggs. Please refer to Section 6.7(g) for details of our Halal certification.
2013	• We established our house-brand 'QPlus' and began to sell some of our table eggs under the brand of 'QPlus'. Prior to this, all our table eggs sold are unbranded. • We obtained the MeSTI certificate that certified that we have fulfilled the terms and conditions for MeSTI. Please refer to Section 6.7(i) for details of our MeSTI certification. • We also obtained the Good Animal Husbandry Practices Certification Scheme (currently known as myGAP) that certified that we have fulfilled DVS requirements and have implemented good animal husbandry practices. Please refer to Section 6.7(j) for details of our myGAP certification.
2016	• We obtained the Hazard Analysis Critical Control Points ("**HACCP**") MS1480:2019 and ISO 22000:2018 certifications that certified our compliance with the HACCP standard and ISO 22000:2018 standard for the processing of poultry eggs and egg products. Please refer to Section 7.5.2 for details of our HACCP MS1480:2019 and ISO 22000:2018 certifications.
2021	• Our Executive Director, Ong Keat Hoe (the son of Ong Boon Leng) joined our Group as Sales and Marketing Manager. Please refer to Section 5.1.2(d) for the profile of Ong Keat Hoe. • We obtained the Good Manufacturing Practices ("**GMP**") MS1514:2009 certification that certified our compliance with the GMP MS1514:2009 standard for the processing of poultry eggs and egg products. Please refer to Section 7.5.2 for details of our GMP MS1514:2009 certification.
2022	• We expanded our product offerings through the launching of premium eggs under our house-brand 'QPlus'. Please refer to Section 7.2.2 for the range of premium eggs offered by our Group.

Year	Key events and milestones
2024	• Throughout the years, we continued to expand the number of closed-house chicken coops, reaching a total of 26 and 7 closed-house chicken coops for mature hens and pullets respectively, with a capacity to accommodate 1,735,232 mature hens and 486,912 pullets respectively. • With a total of 26 closed-house chicken coops for mature hens, we increased our egg production capacity to approximately 1,475,000 eggs per day. • We acquired 3 plots of adjacent land in Teluk Intan, Perak with the intention to establish a new poultry farm in Teluk Intan to expand our egg production capacity. Please refer to Section 7.18 for further details of our Group's business strategies and future plans.
2025	• We upgraded one of our existing closed-house chicken coops for mature hens which increased our capacity to house another additional 5,632 mature hens, resulting in a total capacity of 1,740,864 mature hens. This increased our egg production capacity to approximately 1,480,000 eggs per day.

7.2 DESCRIPTION OF OUR BUSINESS

7.2.1 Principal business activities

Our Group is principally involved in poultry farming, whereby we rear layer chickens for the production and sale of table eggs. Our table eggs can be categorised into ordinary eggs and premium eggs:

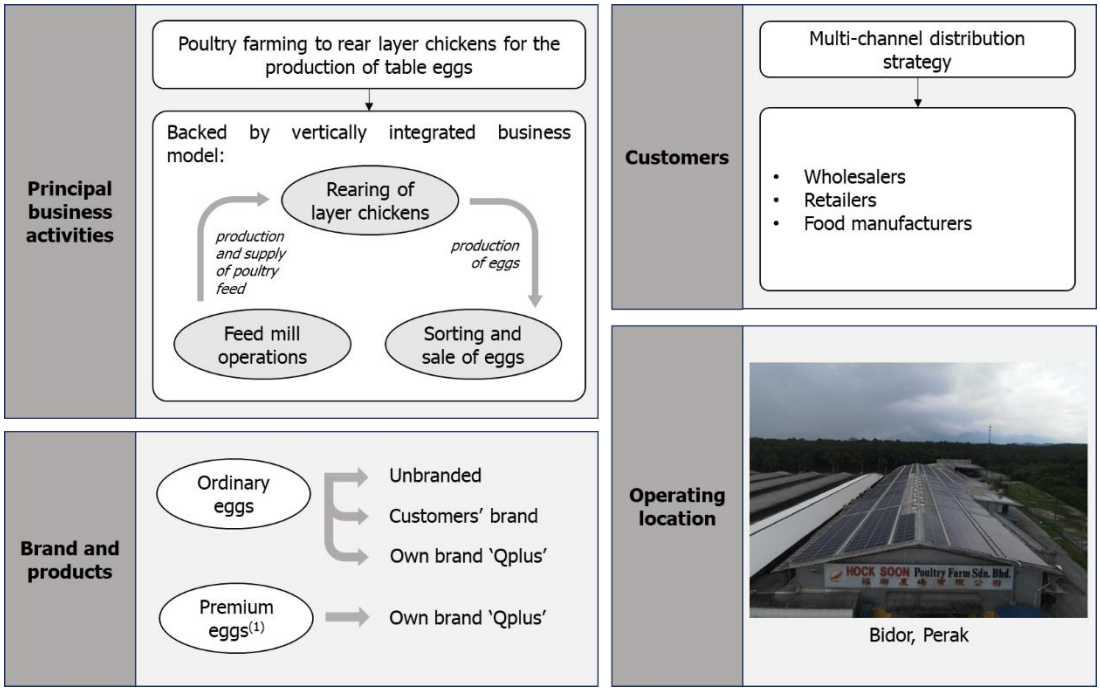
(a) Our **ordinary eggs** are eggs that contain basic nutritional value, which are produced by our layer chickens that are fed with basic poultry feed without enrichments added to them.

(b) Our **premium eggs** are eggs that contain higher nutritional value, such as Vitamin E, Omega DHA and selenium. These eggs are produced by our layer chickens that are fed with enriched poultry feed.

We sell our ordinary eggs unbranded or under our house-brand 'QPlus', and our premium eggs under our house-brand 'QPlus'. Upon request by customers, our Group also supplies table eggs packaged and/ or labelled under our customers' brands.

7. BUSINESS OVERVIEW *(Cont'd)*

A summary of our business model is as shown below:



Note:

(1) Mainly comprises premium eggs labelled under our house-brand 'QPlus'. We also sell premium eggs labelled under a Hong Kong customer's brand.

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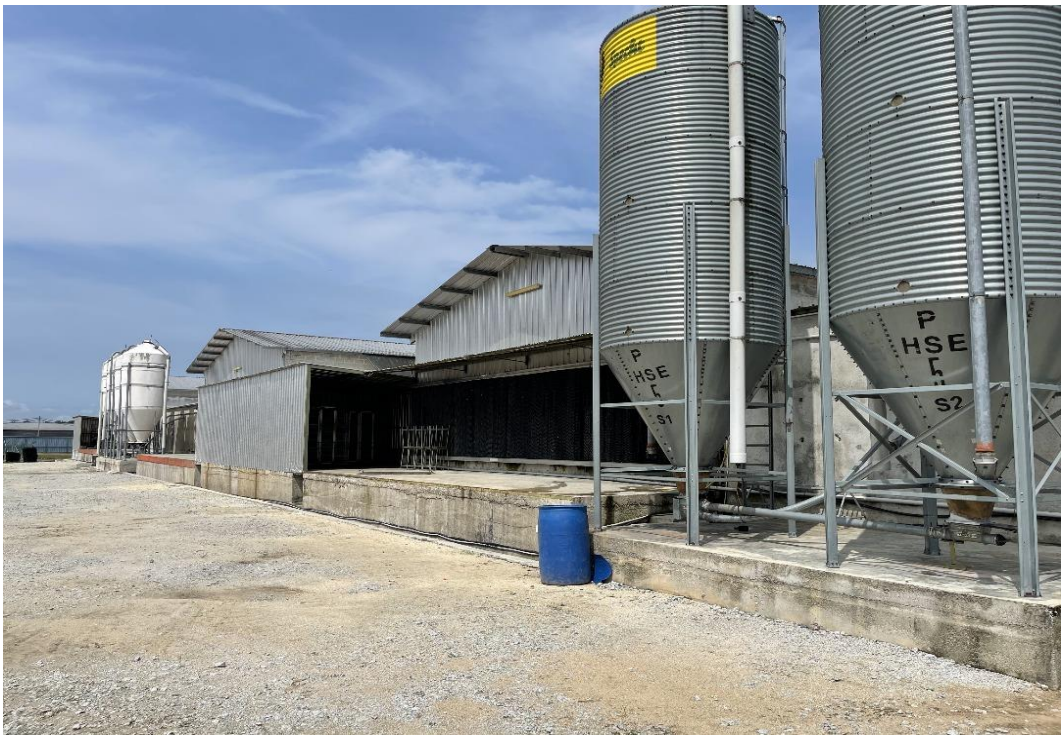
7. BUSINESS OVERVIEW *(Cont'd)*

Our Group's poultry farming operations are located at Bidor, Perak, as shown below:

Overview of the Bidor Integrated Farm (excluding feed mill)



Chicken coops

Central grading and sorting station

Feed mill

7. BUSINESS OVERVIEW *(Cont'd)*

We operate a vertically integrated business model for our poultry farming, beginning from rearing of layer chickens which is supported by our in-house feed mill operations to produce poultry feed, to sorting and sale of eggs. Our vertically integrated operations are detailed as follows:

(a) Rearing of layer chickens

We rear our layer chickens starting from day-old-chicks which are sourced from a third-party supplier, at our chicken coops located at our Bidor Integrated Farm. As at LPD, we have 7 chicken coops for pullets with a capacity to accommodate a total of 486,912 pullets, where we house our day-old-chicks and pullets throughout the pullet period. Further, we have 26 chicken coops for mature hens as at LPD, with a capacity to accommodate a total of 1,740,864 mature hens and an egg production capacity of approximately 1,480,000 eggs per day.

All our chicken coops use closed-house systems equipped with automation systems as well as monitoring and control systems, with details as follows:

(i) Automation systems:

- Automated feed hoppers and drinking systems to feed our layer chickens;
- Egg collection belts to collect eggs within each of the respective chicken coops, which is then transported onto an automated conveyor belt that connects 16 out of our 26 chicken coops for mature hens, to our central grading and sorting station, whereas eggs from the remaining 10 chicken coops for mature hens, that are not connected to our central grading and sorting station via an automated conveyor belt, are transported using our egg packer machines to pack the eggs into trays before being transported to our central grading and sorting station. Please refer to Section 7.4 for further details of our egg collection process; and
- Manure collection belts that collect and transport the manure from each chicken coop to a designated area for storage before being loaded to trucks and sold to a related party.

By automating the feeding, egg collection and manure disposal processes, it eliminates the need for our workers to carry out these activities manually, and minimises physical contact of our layer chickens with our workers. This reduces the risk of contamination and disease outbreak.

(ii) Monitoring and control systems: our closed-house chicken coops are also equipped with temperature sensors, pad cooling systems, computer-controlled fans and air inlet valves that allow us to remotely monitor and control the ventilation and temperature of our chicken coops. This ensures a suitable condition for the rearing of layer chickens and production of eggs.

Below is the interior of our closed-house chicken coops:

During FYE 2022 to 2024, our egg production rate ranged from 87.9% to 89.7%, with details as follows:

	FYE 2022	FYE 2023	FYE 2024
Average number of mature hens[1]	1,112,564	1,145,658	1,211,903
Total eggs produced[2]	356,911,549	369,493,482	397,956,368
Egg production rate per day (%)[3]	87.9	88.4	89.7

Notes:

(1) Refers to the average total number of mature hens (excluding pullets) as at the end of each month for the respective FYE. Notwithstanding that our chicken coops for mature hens have a capacity to accommodate a total of 1,740,864 mature hens, there were periods whereby some of these chicken coops were vacant due to the clearance of spent chickens that have passed their prime laying period as well as the gap to await our pullets to reach their laying age to fill our chicken coops for mature hens.

(2) Refers to the total number of eggs produced by our layer chickens in the respective FYE.

(3) Calculated by dividing the total number of eggs produced in the respective FYE against the average total number of mature hens multiplied by the total number of days in the respective FYE (i.e. 365 days for FYE 2022 and FYE 2023, and 366 days for FYE 2024).

Our layer chickens typically start laying eggs at around 17 to 18 weeks old and will be typically past their prime laying period at around 90 weeks old. Layer chickens that have passed their prime laying period are known as spent chickens, which are sold to amongst others, wholesalers and third party poultry farmers. Manure collected from our poultry farming is sold to a related party, BL Ong & Sons Ventures. The income generated from the sale of spent chickens and chicken manure is part of our revenue stream.

(b) Sorting and sale of eggs

Eggs collected from our chicken coops via the egg collection belts are transported to our central grading and sorting station via a connecting automated conveyor belt or via manual transportation by our workers. Our eggs are then graded and sorted according to their weight through our automated grading and sorting lines, and thereafter packed and stored prior to delivery to our customers. Please refer to Section 7.2.2 for the range of our eggs and Section 7.4 for our grading and sorting processes. As at LPD, our total egg grading and sorting capacity is 192,000 eggs per hour.

Below are our automated grading and sorting lines:

(c) Feed mill operations

We also operate a feed mill to produce poultry feed in-house to support our poultry farming operations. Raw materials and ingredients used in the production of poultry feed include maize, soybean meal, wheat, pollard and sunflower meal, amongst others. Poultry feed produced in our feed mill are fully consumed by our layer chickens, and we do not sell our poultry feed to external parties. As at LPD, our feed mill can produce 288 MT of poultry feed per day.

Having an in-house feed mill enables us to control the quality of the poultry feed fed to our layer chickens as well as the type and quality of eggs produced, as the nutritional value of the poultry feed used determines the health and nutrition of our layer chickens and consequently affects the type and quality of the eggs produced. Further, it also ensures sustainability as we are not dependent on external suppliers for the supply of poultry feed to run our poultry farming business.

Our Group recognises the benefits of having feed formulations that are specifically catered to the breed as well as environmental and living conditions our layer chickens are exposed to. As such, we are also involved in the development of poultry feed formulation. As at LPD, we have formulated 12 varieties of poultry feed, whereby each formulation is used for feeding in certain chicken coops to produce the corresponding types and quality of eggs, as well to cater to different nutritional requirements at differing developmental stages of layer chickens. Apart from the 12 formulations of

poultry feed that we developed and produced in-house, we also source 2 additional types of poultry feed developed and produced by an external supplier. During FYE 2022 to 2024, such ready made poultry feed constituted less than 2.0% of our total purchases for each financial year.

Our feed mill houses 2 computerised poultry feed production lines that enable us to precisely control and manage the ratios of each raw material and ingredient used in the production of poultry feed. The required ratios of each raw material and ingredient for each formulation are keyed into the computerised system to automate the weighing and loading process of each raw material and ingredient. This eliminates the need for manual weighing and loading process in poultry feed production process for differing formulations. After the weighing and loading of the raw materials and ingredients in our silo tanks, the raw materials and ingredients will be crushed before being loaded into the mixer to commence the mixing process. Please refer to Section 7.4 for further details on our feed mill operations.

Below is our computerised poultry feed production line:

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7.2.2 Our products

Our table eggs can be broadly segmented into 2 categories, namely ordinary eggs and premium eggs, with details as follows:

Ordinary eggs

Product	Descriptions
QPlus Jumbo (12 pieces)	Eggs weighing 70 grams and above each
QPlus Large (6 pieces) QPlus Grade A (30 pieces)	Eggs weighing between 65 grams and to below 70 grams each
QPlus Grade B (30 pieces)	Eggs weighing between 60 grams to below 65 grams each
QPlus Grade C (30 pieces)	Eggs weighing between 55 grams to below 60 grams each
QPlus Grade B and C Medium (15 pieces)	Eggs weighing between 55 grams to below 65 grams each
QPlus Grade D (30 pieces)	Eggs weighing between 50 grams to below 55 grams each

Product		Descriptions
QPlus Grade E (30 pieces)	QPlus Grade F (30 pieces)	Less than 50 grams each

Premium eggs

Product	Descriptions
(a) QPlus Vitamin E Enriched Eggs, i.e. premium eggs with higher nutritional value in vitamin E:	
• Large (10 pieces)	Eggs weighing between 65 grams to below 70 grams each
• Medium (15 pieces)	Eggs weighing between 55 grams to below 65 grams each
(b) QPlus Omega DHA Enriched Eggs, i.e. premium eggs with higher nutritional value in Omega DHA:	
• Medium (10 pieces and 15 pieces)	Eggs weighing between 55 grams to below 65 grams
(c) QPlus Selenium Enriched Eggs, i.e. premium eggs with higher nutritional value in selenium:	
• Medium (10 pieces and 15 pieces)	Eggs weighing between 55 grams to below 65 grams

- Large (10 pieces and 15 pieces) — Eggs weighing between 65 grams to below 70 grams each

Majority of ordinary eggs sold by our Group are unbranded (i.e. ordinary eggs in cartons that are not labelled with our 'QPlus' house brand). With regards to the premium eggs sold by our Group, most are labelled under our 'QPlus' house brand while the remaining are packaged and/ or labelled under our customers' brands.

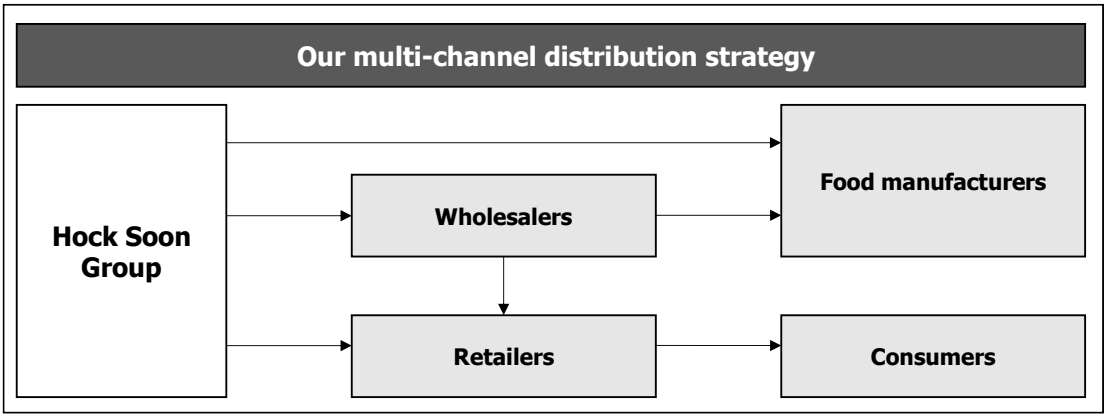
All table eggs sold by our Group are produced internally except in rare instances where there are unexpected surges in customers' orders that exceed our egg production. In such cases, our Group will purchase table eggs from third party egg producers/ suppliers to fulfil customer's orders. Please refer to Section 7.10 for the quantum of table eggs sourced from third party egg producers/ suppliers in FYE 2024.

All ordinary eggs and premium eggs produced by our Group are Halal certified.

7.2.3 Our multi-channel distribution strategy

Our Group adopts a multi-channel distribution strategy whereby our eggs are mainly sold to our network of local wholesalers for onward sales to retailers (e.g. wet markets, mini markets and sundry shops) and food manufacturers; retailers (e.g. supermarkets, hypermarkets and grocery store) for onward sales to consumers; and food manufacturers who use our eggs in their food manufacturing process. Apart from our local customers, we also sell our eggs to an overseas customer (i.e. a wholesaler) in Hong Kong, where we mostly supply our premium eggs that are packaged and/ or labelled under the customer's brand.

An illustration of our Group's multi-channel distribution strategy is as follows:



All orders from our customers are transacted on a purchase order basis.

7. BUSINESS OVERVIEW *(Cont'd)*

The breakdown of our Group's customer base and their respective revenue contribution in FYE 2024 to our Group is shown below:

Customer base	No. of customers	Revenue contribution	
		RM'000	%
Wholesalers	**49**	**102,764**	**67.9**
- **Ordinary eggs**		100,493	66.4
- Unbranded[1]		95,249	62.9
- Customers' brand		-	-
- Own brand		5,244	3.5
- **Premium eggs**[2]		2,271	1.5
Retailers	**7**	**29,947**	**19.8**
- **Ordinary eggs**		25,990	17.2
- Unbranded[1]		14,732	9.7
- Customers' brand		10,472	6.9
- Own brand		786	0.5
- **Premium eggs**		3,957	2.6
Food manufacturers	**1**	**8,901**	**5.9**
- **Ordinary eggs**		8,901	5.9
- Unbranded[1]		8,896	5.9
- Customers' brand		-	-
- Own brand		5	~[3]
- **Premium eggs**		-	-
Other customers[4]	**13**	**2,186**	1.4
- **Ordinary eggs**		2,155	1.4
- Unbranded[1]		2,134	1.4
- Customers' brand		-	-
- Own brand		21	~[3]
- **Premium eggs**		31	~[3]
Others[5]	**73**	**7,579**	5.0
Total	**143**	**151,377**	**100.0**

Notes:

(1) Includes soiled, spotted, cracked or broken eggs that are sold in the form of liquid eggs in bags.

(2) Comprise premium eggs labelled under our house-brand 'QPlus' and under a Hong Kong customer's brand. Sale of premium eggs under the Hong Kong customer's brand amounted to RM1.0 million in FYE 2024.

(3) Negligible as it is less than 0.1%.

(4) Comprises revenue generated from other customers such as third party poultry farmers who also purchase our spent chickens as well as walk-in customers.

(5) Comprises revenue generated from the sale of spent chickens, chicken manure, raw materials, scrap materials and handling charges. For avoidance of doubt, there is no overlap between the customers disclosed under the "other customers" category and the "others" category.

7.2.4 Warranty

We do not provide any warranty for eggs sold. With regards to our premium eggs, we label them with a 1-month expiry date from the date of production, grading and sorting. However, we do not label the expiry dates for our ordinary eggs. Nonetheless, our eggs have a shelf life of up to 1 month in dry and cool storage conditions.

Nevertheless, upon receiving claims from customers for any misgraded, mislabelled, rotten, contaminated or large-scale cracked or broken eggs, we will investigate the causes of such claims. If the responsibility falls under us, the customers will return the products to us, and we will provide compensation either in the form of a credit note or replacement table eggs. During FYE 2022 to 2024, we did not receive any claims for any misgraded, mislabelled, rotten, contaminated or large-scale cracked or broken eggs sold by our Group.

Our Group also has a product recall procedure in place for any misgraded, mislabelled, rotten or contaminated table eggs sold by our Group. A product recall exercise will be initiated if we receive any claims from customers in regards of any misgraded, mislabelled, rotten or contaminated eggs, to which upon investigation, implicates other batches of eggs that have been delivered to other customers. Further, a product recall exercise can also be initiated upon identification of such similar incidences during our internal audit processes. During a product recall process, a product recall team will be formed to coordinate the recall exercises, which involve amongst others, informing the affected customers, assisting customers in product retrieval, making logistics arrangements, disposing the affected products, as well as informing any regulatory authorities if required. During FYE 2022 to 2024 and up to LPD, there were no product recall exercises.

7.3 PRICING AND GOVERNMENT SUBSIDIES

In February 2022, the Government announced that a ceiling retail price is set for certain ordinary eggs (i.e. grade A, B and C eggs only). This is aimed to stabilise egg prices and ensure that eggs, being a staple food, remain affordable and accessible to consumers and households in all income groups. Further, the farm selling prices of these eggs in the market are also fixed. The imposition of the ceiling retail prices and farm selling prices of these eggs persist until 31 July 2025, before its full removal effective 1 August 2025.

Details of the ceiling retail prices and farm selling prices of these eggs imposed by the Government for the Peninsular Malaysia market for FYE 2022 to FYE 2024 and up to LPD are as follows:

	Price for each egg (RM)		
	Grade A ordinary	**Grade B ordinary**	**Grade C ordinary**
FYE 2022			
Ceiling retail price	0.43	0.41	0.39
Farm selling price	0.39	0.37	0.35
FYE 2023			
Ceiling retail price	0.43 - 0.45	0.41 – 0.43	0.39 – 0.41
Farm selling price	0.39	0.37	0.35
FYE 2024			
Ceiling retail price	0.42 - 0.45	0.40 – 0.43	0.38 – 0.41
Farm selling price	0.36 - 0.39	0.34 - 0.37	0.32 - 0.35

	Price for each egg (RM)		
	Grade A ordinary	**Grade B ordinary**	**Grade C ordinary**
1 October 2024 up to LPD			
Ceiling retail price	0.42	0.40	0.38
Farm selling price	0.36	0.34	0.32

In accordance with the implementation of ceiling retail prices and farm selling prices, our egg prices, in particular our Grade A, B and C ordinary eggs only, adhered to the farm selling prices imposed by the Government. The average selling prices of our Group's eggs for FYE 2022 to 2024 are as follows:

	FYE 2022	**FYE 2023**	**FYE 2024**
Average selling price (RM/egg)[1]	**0.36**	**0.38**	**0.36**
- ordinary eggs[2]	0.36	0.37	0.36
- premium eggs[2]	-	0.60	0.60

Notes:

(1) The average selling prices were computed based on the revenue from sales of table eggs divided by the sales volume of eggs for each FYE.

(2) The average selling prices were computed based on the revenue from sales of ordinary eggs or premium eggs divided by the sales volume of ordinary eggs or premium eggs for each FYE.

Further, to retain the price control on eggs without compromising the profitability of egg producers in Malaysia, the Government has also vide the DVS introduced a provision of subsidies to egg producers over the same period. Details of the subsidies provided by the Government for each ordinary egg sold for FYE 2022 to FYE 2024 are as follows:

	FYE 2022	**FYE 2023**	**FYE 2024**
Subsidies	RM0.03 to RM0.05[1]	RM0.08 to RM0.10	RM0.10

Note:

(1) These subsidies were applicable for all table eggs of all grades save for the period between February 2022 and June 2022 when the subsidy of RM0.05 was only applicable for grade A, grade B and grade C eggs.

7. BUSINESS OVERVIEW *(Cont'd)*

The provision of subsidies is executed through the DVS under the Ministry of Agriculture and Food Security. In order to obtain the subsidy, licensed poultry farm operators will submit an application for subsidy based on the number of the respective ordinary eggs sold on a monthly basis together with the relevant documentation (e.g. invoices of all eggs sold) for verification. Upon approval by the DVS, the subsidised amount will be provided to the respective egg producers. The volume of eggs subsidised and subsidies which we received from the Government for FYE 2022 to 2024 are as follows:

	FYE 2022	FYE 2023	FYE 2024
Volume of eggs subsidised ('000)	156,115	253,141	320,789
Subsidies received from the Government (RM'000)[1]	7,254	20,971	32,079

Note:

(1) Our subsidies are captured in our financial statements on receipt basis.

As announced by the Ministry of Agriculture and Food Security on 30 April 2025, the egg subsidy for ordinary eggs were reduced from RM0.10 to RM0.05 and the price control was removed effective 1 May 2025. Further, the Government has fully removed the egg subsidy effective 1 August 2025. Consequently, the price of our ordinary eggs follows market rates based on supply and demand conditions which would result in egg prices becoming more competitive. Despite the potential increase in the pricing of our ordinary eggs, we are unlikely to experience a decrease in consumer demand as eggs are staple foods widely consumed by individuals as well as in the F&B business. Please refer to Section 9.1.2 for details of the risk arising from the removal of price control and subsidies by the Government.

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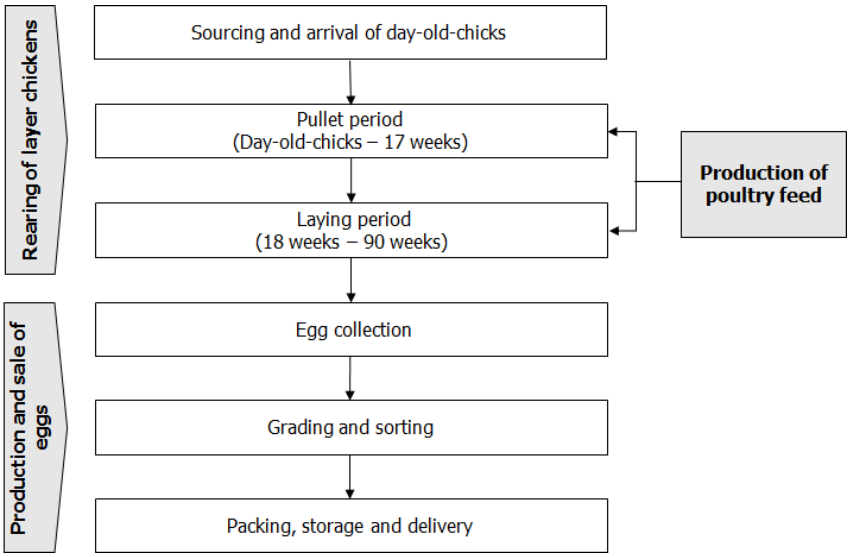
7.4 BUSINESS PROCESSES

The process flow for our Group's business is depicted below:



(a) Rearing of layer chickens

(i) Sourcing and arrival of day-old-chicks

Our poultry farming process begins with the purchase of day-old-chicks from our supplier. Our selection criteria for the supplier of day-old-chicks are based on amongst others, the quality of day-old-chicks (i.e. health conditions) based on our purchase track record, timeliness of delivery and the supplier's adherence to good agricultural practices as evidenced by its myGAP certification. A batch of day-old-chicks are purchased and reared as a group/flock in a chicken coop throughout various stages from pullet period to laying period. This strategy eases rearing process as chickens within any of our chicken coops are at the same age. Further, it also prevents transmission of diseases between older layer chickens and younger layer chickens. The quantum of day-old-chicks purchased varies for each batch, depending on the capacity of each chicken coop based on our planning as detailed below.

To ensure timely and reliable delivery of day-old-chicks from our supplier, our Group provides an annual planning report to the supplier, which outlines the quantities of day-old-chicks required by our Group and estimated delivery weeks during the year. Such planning is prepared based on our staggered flock placement strategy (as detailed below), whilst taking into account a buffer period of 2 to 4 weeks for cleaning and sanitation of our chicken coops dedicated for pullets after being transferred out upon reaching laying period, as well as the corresponding chicken coops dedicated for mature hens after depopulation upon reaching the end of their prime laying period. Upon arrival of the day-old-chicks, they will be kept in chicken coops dedicated for pullets for a period of 17 weeks.

Further, to facilitate continuous egg production and maximise the occupancy of our chicken coops, our Group adopts a staggered flock placement strategy whereby a new batch of day-old-chicks are brought in to fill a chicken coop dedicated for pullets approximately 13 to 15 weeks before the mature hens in the corresponding chicken coop reach the end of their prime laying period. This

allows sufficient time of 2 to 4 weeks for cleaning and sanitation of chicken coops after the depopulation of spent chickens and for the day-old-chicks to fully develop into mature hens, enabling a seamless transition in our rearing cycle.

(ii) Pullet period

As at LPD, we have allocated a total of 7 chicken coops to raise our pullets during the pullet period. During the pullet period, we closely monitor the temperature of the chicken coops to ensure that the chicken coops operate at the appropriate temperature for optimal pullet health. In addition, we also take strict precautions with regards to poultry nutrition as the quantity and nutritional quality of the feed fed to the pullets significantly affects pullet health and growth.

(iii) Laying period

When the chickens reach 17 weeks old, they will be transferred to our chicken coops dedicated for mature hens. As at LPD, we have allocated a total of 26 chicken coops to house our mature hens during the laying period. Mature hens that produce premium eggs are fed with enriched poultry feed throughout the laying period compared to those producing ordinary eggs.

During the laying period, we ensure that our mature hens receive sufficient nutrition to ensure optimal egg production in terms of quantity and quality. Further, we ensure that the temperature of the chicken coops are controlled so that our mature hens are not exposed to heat stress which is detrimental to both the health of our mature hens and egg production. We also monitor and control the lighting in our closed-house chicken coops to stimulate and encourage feed intake and egg production.

Our Group constantly monitors the egg production rate of our mature hens to ascertain the cost effectiveness of maintaining the layer chickens. When our mature hens are past their prime laying period (which are known as spent chickens) and egg production rate begins to drop, we will consider depopulating the chicken coops by selling the spent chickens to amongst others, wholesalers and third party poultry farmers. Further, the timing of depopulation of a chicken coop also depends on the availability of 17-week old layer chickens that are reaching laying period and ready to be transferred into the chicken coop.

Our poultry rearing operations are carried out by our farm operations department that comprises operators, technicians, supervisors and managers who are responsible for conducting daily inspection of our chicken coops, which include cleaning and sanitation of chicken coops; admission of poultry feed; maintaining the living conditions in chicken coops; assessing the growth and health of layer chickens; monitoring, recording and reporting mortality rates; as well as ensuring that each chicken coop is free from pests. These personnel are also responsible for the maintenance of systems and machinery involved such as feed hoppers and drinking systems; egg collection belts and automated conveyor belts; manure collection belts; temperature sensors; pad cooling systems; computer-controlled fans and air inlet valves; as well as egg counters. Further, they are also responsible for packing eggs into trays using our egg packer machines and transport the eggs to our central grading and sorting station for chicken coops that are not connected to our central grading and sorting station via an automated conveyor belt.

Throughout the pullet and laying periods, manure is automatically collected from each chicken coop on a daily basis and transported to a designated area for storage before being loaded to trucks and sold to a related party.

(b) Production and sale of eggs

(i) Egg collection

Eggs laid by our layer chickens in each chicken coop are collected via an egg collection belt and connected to a collection area located outside of each chicken coop. Thereafter, eggs collected from our chicken coops are transported to our central grading and sorting station via an automated conveyor belt that connects 16 of our chicken coops to our central grading and sorting station. Eggs from the remaining 10 chicken coops that are not connected to our central grading and sorting station via an automated conveyor belt are transported using our egg packer machines to pack the eggs into trays before being transported to our central grading and sorting station.

(ii) Grading and sorting

Upon reaching our central grading and sorting station, eggs will go through grading lines where the eggs are graded according to its respective weight. Our egg grading and sorting machines are equipped with an ultraviolet disinfection system that uses ultraviolet light to eradicate bacteria, viruses and/ or fungi that may be present on the shells. Further, one of our egg grading machines is equipped with a crack detection system that detects any cracks present on the shells using acoustic sensors. In the event that a cracked egg is detected, the cracked egg is automatically removed and separated from the rest of the uncracked eggs in the egg grading and sorting line. Thereafter, eggs will also be visually inspected to remove soiled, spotted, cracked or broken eggs and sold to customers who are willing to accept these eggs. Further, the contents of these soiled, spotted, cracked or broken eggs may also be bagged and sold to customers in the form of liquid eggs.

Following which, the graded eggs are automatically assigned to its respective packaging lane to be sorted into trays ranging from 6 to 30 eggs per tray.

(iii) Packing, storage and delivery

Once the eggs are graded and sorted, they will be packed in trays before being placed on pallets for storage in our storage area. Each pallet of eggs is labelled with production records, which include batch number, product types, packing date (which is typically the same day from laying) and expiry date (for premium eggs). Similar information will also be recorded in our inventory management system.

When we receive a purchase order, we will arrange for the ordered eggs to be delivered to our customers by third party logistics companies engaged by our Group. When required, we also utilise our in-house trucks for product delivery which we own 3 units as at LPD. Further, our customers may also collect the eggs from our Bidor Integrated Farm. Each batch of eggs delivered are accompanied by a delivery order which outlines the abovementioned production records, thereby enabling traceability.

To ensure the freshness of eggs, our eggs are generally delivered to, or collected by, our customers within 2 to 3 but not exceeding 7 days from the day that the eggs are collected from our chicken coops.

(c) Production of poultry feed

Our Group produces poultry feed in-house to feed our layer chickens. Our poultry feed production process is carried out by our feed mill operations department that comprises operators, technicians, supervisors, and managers, who are responsible for preparation, weighing and loading of raw materials and ingredients; transfer of finished poultry feed to closed silos; collection of poultry feed for admission to chicken coops; operation and maintenance of machinery; inventory management and procurement; record keeping; as well as cleaning and sanitation of the computerised poultry feed production lines, raw material and ingredient storage silos, mixing tank and closed silos for finished poultry feed.

We generally maintain a 2 to 3 weeks inventory for the raw materials and ingredients used in the production of poultry feed. Our poultry feed production begins with the automated loading of the specific amount of key raw materials and ingredients required (e.g. maize, soybean meal, wheat, pollard and sunflower meal) from the respective raw material and ingredient storage silos/ areas to a mixing tank, whereby the weighing of these key raw materials and ingredients are automated as part of the loading process. As for other raw materials and ingredients such as minerals and supplements (e.g. vitamins), the weighing and loading processes are carried out manually.

Thereafter, the raw materials and ingredients will be crushed before being loaded into the mixing tank for mixing process. Following which, the mixed poultry feed will be loaded and stored in closed silos being collected for feeding. Mixed poultry feed stored in closed silos are typically used for feeding within 7 days upon production and storage.

During FYE 2022 to 2024, our Group produced poultry feed amounting to 51,370.3 MT, 53,124.0 MT and 54,870.2 MT respectively.

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7.5 QA AND QC PROCEDURES, BIOSECURITY MEASURES AND CERTIFICATIONS

7.5.1. QA and QC procedures and biosecurity measures

We have outlined and adopted stringent QA and QC procedures at various stages of our operations which are formulated by the respective supervisors and managers within the farm operations department, production department and feed mill operations department, together with our Managing Director, Executive Directors and Veterinarian, as detailed below:

Operation stage	QA and QC procedures
Rearing of layer chickens	Daily inspection is conducted in each chicken coop to: (a) conduct cleaning, which includes the cleaning of the ventilation system to remove excessive dust, chicken feathers or debris that could impair the performance of the ventilation system; (b) conduct sanitation and disinfection of the walls and floors of the chicken coops to eliminate any bacteria, viruses, fungi and/or parasites that could potentially contaminate the poultry feed, water, surfaces and/or layer chickens; (c) assess the conditions of the chicken coop to ensure the living conditions (e.g. temperature, humidity and ventilation) are maintained; (d) monitor the admission of poultry feed as well as water intake to ensure that the appropriate quantity and type of poultry feed in addition to sufficient water intake is provided to our layer chickens; (e) assess the growth and health of our layer chickens; (f) identify any mortality and investigate the causes; and (g) ensure that the chicken coop is free from pests (e.g. rodents). Daily visual inspection is carried out by our employees manually, who undergo the necessary sanitisation procedures (i.e. showering and changing into designated uniforms exclusively for entering our chicken coops). The above QA and QC procedures apply to all layer chickens throughout the entire rearing process from day-old-chicks and pullets to mature hens.
Grading and sorting of eggs	(a) Eggs collected from chicken coops will undergo visual inspection by our employees to remove eggs that are soiled, spotted, cracked or broken. (b) Upon grading and sorting, visual inspection will be conducted via random sampling of eggs to ensure that eggs are accurately graded within the weight range of the respective grades.

Operation stage	QA and QC procedures
	(c) We send our table eggs for monthly external testing by third party laboratories to ensure that our table eggs are free from any contaminations. (d) We also send our table eggs for bi-annual external testing by third party laboratories to analyse the nutritional value of our table eggs. These QA and QC procedures are carried out by our QA & QC personnel in our production department to ensure the quality of our eggs are being upheld.
Feed mill operations	(a) Upon receipt of raw materials and ingredients, we inspect them to ensure that the quantity and weight of the raw materials and ingredients are in accordance with the delivery order. (b) We conduct in-house laboratory tests on the raw materials and ingredients using an FT-NIR spectrometer, which is used to analyse the contents of the raw materials and ingredients to ascertain the quality and nutritional value of the raw materials and ingredients. (c) We also conduct particle size analysis to ensure that the raw materials and ingredients are of the correct size and texture to be used in our in-house production of poultry feed. (d) We conduct daily in-house laboratory tests to ensure that the raw materials and ingredients used in the production of our in-house poultry feed adheres to the required nutritional values. (e) We also send our in-house poultry feed for weekly external testing by third party laboratories to ensure that our poultry feed is free from any contaminations.

To ensure the quality and freshness of our products, in particular our house-brand eggs, we carefully select our customers who have an established product storage practices, ensuring our eggs are stored under dry and cool conditions. While we do not have quality control measures imposed on our customers particularly for the storage of our eggs, we conduct periodic internal review and visit our customers, especially retailers who carry our house-brand products, to ensure that our eggs are stored under dry and cool conditions.

Our Bidor Integrated Farm is surrounded by lands owned by our Group that are used for oil palm plantation. Nevertheless, our Bidor Integrated Farm is not affected or exposed to any pesticides/chemicals used in the oil palm plantations as the perimeters of our poultry farm are fully fenced. Further, our closed-house chicken coops, central grading and sorting station and feed mill are built with concrete walls as well as fully covered and/or sheltered, which prevents any pesticide/chemical exposure from affecting our poultry farming operations in our Bidor Integrated Farm. In addition, we also adopt the following biosecurity measures in our Bidor Integrated farm:

7. BUSINESS OVERVIEW *(Cont'd)*

(a) Closed-house system for rearing of layer chickens

We adopt a closed-house system for the rearing of layer chickens, whereby our chickens are housed in closed-house chicken coops that are equipped with automated feed hoppers and drinking system to feed our layer chickens, egg collection belts to collect eggs within each of the respective chicken coops, and manure collection belts that automatically collect manure from each chicken coop and transport the manure to a designated area. Some of our chicken coops are also connected to an automated conveyor belt that transports eggs to our central grading and sorting station. The egg collection belts and automated conveyor belt minimise manual handling of eggs by our employees, which contributed to our relatively low egg wastage of below 1.5% for FYE 2022 to 2024.

In addition, the closed-house system is also equipped with temperature sensors, pad cooling systems as well as computer-controlled fans and air inlet valves that allows us to control the ventilation and temperature of our chicken coops. All of these create a more controlled environment and reduce the risk of contamination and disease outbreak.

(b) Monitoring of layer chickens

The growing condition and mortality of our layer chickens are monitored by our employees daily. We actively monitor and maintain records of key health indicators of our layer chickens, including poultry feed and water intake, average body weight, egg production rates and average egg weight. In addition, we track prescribed medications and vaccinations to monitor the health of our layer chickens. Scheduled health checks are also conducted to detect any potential infections or diseases such as Newcastle disease, infectious bronchitis, Avian influenza, pasteurella, e-coli and salmonella. We also monitor flock uniformity and ensure standard feed consumption across our layer chickens. Our veterinarian conducts weekly post-mortem inspections on a sample basis to identify the causes of mortality and detect any possibilities of disease outbreaks. The findings of our weekly post-mortem inspections are documented and submitted to the relevant key senior management personnel. For FYE 2022 to 2024, the annual mortality rate of our layer chickens was less than 0.5%, which is the average monthly mortality rate calculated using the total mortality in a month divided against the average number of layer chickens for the respective month.

If an outbreak of poultry disease is detected, we will firstly ascertain the severity of the disease outbreak. Where vaccination and medication are in existence to treat the diseases, our in-house veterinarian will prescribe the necessary antibiotics and/ or medication to the affected chicken coop(s) to remedy the outbreak. In the event of unusual or elevated mortality rates (i.e. more than 0.1% per week, which is calculated using total mortality in a week divided against the average number of layer chickens for the respective week, in each chicken coop), or where Avian influenza is identified as the cause of mortality, we are required to notify the DVS.

However, if there are no vaccinations or medication in existence, we will depopulate the infected chicken coop(s) by disposing all layer chickens in the respective chicken coop(s). Thereafter, we will re-commence the entire rearing process starting from the rearing of day-old-chicks after disinfecting the infected chicken coops.

(c) Controlled access at our Bidor Integrated Farm

Apart from our employees, only authorised personnel (e.g. customers, suppliers and other visitors) are allowed to enter our Bidor Integrated Farm and the entry of these personnel is subject to approval granted by our management. Further, only dedicated employees (i.e. operators and supervisors from the farm operations department) are allowed to enter our chicken coops to conduct daily cleaning and inspection, whereby these dedicated employees are required to adhere to our sanitation and hygiene practices detailed below.

(d) Sanitation and hygiene

Sanitation and hygiene measures are put in place in various sites of our Bidor Integrated Farm:

(i) Main and office entrances

We have footbaths with disinfectants installed at the main and office entrances at our Bidor Integrated Farm. All employees, visitors and vehicles are required to walk/ drive through the footbaths before entering our Bidor Integrated Farm to remove any unwanted bacteria and prevent the potential spread of diseases. The disinfectant in the footbath is replaced daily.

(ii) Closed-house chicken coops

Only dedicated employees (i.e. operators and supervisors) are allowed to enter our chicken coops. Prior to entering any chicken coops, our employees are required to shower and change into dedicated uniforms that we supply for exclusive wear in chicken coops. This minimises the risk of transmitting bacteria and virus into the chicken coops which may lead to disease outbreaks or cross-contamination amongst our layer chickens.

(iii) Central grading and sorting station

We also have footbaths and disinfectants installed at the entrances of our central grading and sorting station. All personnel are required to walk through the footbaths before entering our central grading and sorting station to remove any unwanted bacteria and prevent the potential spread of diseases. The disinfectant in the footbath is replaced daily.

Further, employees who work at our central grading and sorting station are required to undergo typhoid vaccinations annually pursuant to the guidelines by the Ministry of Health to ensure that our employees do not contract typhoid fever due to possible exposure to the salmonella bacteria that is commonly found in the gut and faeces of layer chickens and may be present on egg shells. These employees are also required to wear dedicated uniforms that is worn exclusively at our central and grading station to minimise any risk of transmission of bacteria or virus.

(iv) Feed mill

We maintain clean and hygienic conditions for each storage silos for raw materials, ingredients and finished poultry feed, by conducting cleaning prior to the re-filling of the storage silos. We also conduct cleaning of the mixing tank weekly.

Our Board is of the view that the biosecurity measures, quality control system and production safety measures implemented by our Group are sufficient and effective. The production safety measures currently adopted by our Group are in line with the market practice of the layer poultry industry in Malaysia.

7.5.2. Certifications

Our Group places strong emphasis on the sanitation and hygiene at our Bidor Integrated Farm where our table eggs are produced, graded, sorted and packed. We adopt stringent internal QA & QC policies in our operations to ensure our products are in compliant with both our internal and international standards.

As a testament to our product quality and compliance as well as the production standards of our products, we have obtained the following certifications as at LPD:

Standard	Certification body	Date first awarded	Current validity period	Scope of certification
Halal certification	JAKIM	1 May 2012	1 January 2025 to 31 December 2026	Certifies that the eggs produced by our Group complies with Islamic Law and Malaysian Halal Standard
HACCP MS1480:2019	Kiwa International Certifications (M) Sdn Bhd	7 October 2016	22 October 2024 to 6 October 2027	Certifies that Hock Soon Poultry Farm complies with the HACCP standard for the processing of poultry eggs and egg products
ISO 22000:2018	Kiwa International Certifications (M) Sdn Bhd	26 October 2016	22 October 2024 to 25 October 2027	Certifies that Hock Soon Poultry Farm complies with the ISO 22000:2018 standard for the processing of poultry eggs and egg products
GMP MS1514:2022	Kiwa International Certifications (M) Sdn Bhd	10 October 2021	22 October 2024 to 9 October 2027	Certifies that Hock Soon Poultry Farm complies with the GMP MS1514:2009 standard for the processing of poultry eggs and egg products
MeSTI certificate	MOH	12 April 2013	6 November 2023 to 5 November 2026	Certifies that Hock Soon Poultry Farm fulfils the terms and conditions for MeSTI

Standard	Certification body	Date first awarded	Current validity period	Scope of certification
myGAP certificate (formerly known as Good Animal Husbandry Practices Certification Scheme)	DVS under Ministry of Agriculture and Food Security	31 December 2013	1 January 2024 to 31 December 2025	Certifies that Hock Soon Poultry Farm has fulfilled the requirements of the DVS and Malaysian Good Agricultural Practices Livestock sector

Our Group has established a food safety team which is responsible for ensuring that our Group's operational processes as well as QA & QC procedures consistently conform with the standards necessary to maintain the above certifications.

7.6 TECHNOLOGY USED OR TO BE USED

We employ the following technology in our business activities:

Technology[1]	No. of units[2]	Description
Automated systems in our closed-house chicken coops	33	We have installed various automated systems in all our closed-house chicken coops, namely: (a) automated feed hoppers and drinking systems; (b) egg collection belts and automated conveyor belts (for some chicken coops); and (c) manure collection belts. Please refer to Section 7.2.1(a)(i) for details and benefits of automated systems installed in our closed-house chicken coops.
Monitoring and control systems in our closed-house chicken coops	33	We have installed various monitoring and control systems in all our closed-house chicken coops, namely: (a) temperature sensors; (b) pad cooling systems; and (c) computer-controlled fans and air inlet valves. Please refer to Section 7.2.1(a)(ii) for details and benefits of monitoring and control systems installed in our closed-house chicken coops.
Egg counters	232	We have installed egg counters in all our chicken coops to count the number of eggs produced before being sent to the egg grading and sorting station.
Egg grading and sorting lines	2	Our egg grading and sorting lines are used to automate the egg grading and sorting process where the eggs are graded according to its respective weight and thereafter automatically assigned to its respective packaging lane to be sorted into trays ranging from 6 to 30 eggs per tray.

Technology[1]	No. of units[2]	Description
		Our egg and sorting lines are also equipped with an ultraviolet disinfection system that uses ultraviolet light to eradicate bacteria, viruses and/ or fungi that may be present on the shells. One of egg grading and sorting lines is also equipped with a crack detection system that detects any cracks present on the shells using acoustic sensors.
Egg packing machines	5	Our egg packing machines are used to automate the egg packing process to pack freshly laid eggs into egg trays to ease the transportation of unsorted eggs to our central grading and sorting station.
FT-NIR spectrometers	1	FT-NIR spectrometer is an equipment used to analyse the content of a material that is in solid, powder, tablet, granule, paste or liquid forms. We utilise FT-NIR spectrometer to ascertain the quality and nutritional value of raw materials and ingredients used in our production of poultry feed, as well as the poultry feed that we produce in-house and source from suppliers.
Test sieve machine	1	We utilise a test sieve machine to conduct particle size analysis to ensure that the raw materials and ingredients are of the correct size and texture to be used in our in-house production of poultry feed.
Computerised poultry feed production lines	2	We utilise 2 computerised production lines in our feed mill to produce poultry feed for internal consumption. Please refer to Section 7.2.1(c) for the details of our poultry feed production process using our computerised production lines.

Notes:

(1) These systems and machinery have a depreciation period of 10 years according to our accounting practice. Nevertheless, these systems and machinery typically have a useful lifespan of more than 10 years with regular upkeep and maintenance including regular replacement of consumables as well as wear and tear parts. Hence, our Group will continue utilising these systems and machinery to a point that it is no longer cost-effective to maintain them considering the costs and time required for upkeep and maintenance.

(2) Refers to number of units as at LPD.

7. BUSINESS OVERVIEW *(Cont'd)*

As part of our efforts in minimise production downtime, we conduct regular maintenance and upkeep on our key egg production and processing equipment. For example, daily monitoring on the automated systems, monitoring and control systems, and egg counters in our chicken coops is conducted by our operators and supervisors to identify any malfunctioned system or equipment that requires repair or replacement of consumables/wear and tear parts; and daily cleaning and lubrication is carried out by our technicians for certain parts and components of our egg grading and sorting lines as well as egg packing machines. Further, our technicians also conduct checking on our egg grading and sorting lines as well as egg packing machines to identify any worn-out parts and components that require a replacement. Similar cleaning, lubrication and checking procedures are also undertaken on our computerised poultry feed production lines on a weekly basis.

Hence, all systems and machinery that our Group uses in our operations are in good condition as at LPD. For FYE 2022 to 2024 and up to LPD, we have not experienced any material or prolonged interruptions to our business operations caused by failures of these systems and machinery. Nevertheless, our systems and machinery occasionally experience minor downtime, which typically takes approximately 4 hours for repair and maintenance for each occasion, depending on the severity of the breakdown. However, such downtime did not lead to material or prolonged interruptions to our business operations.

7.7 PRINCIPAL MARKETS AND SEGMENTS

For FYE 2022 to 2024, the sales of table eggs were the largest revenue contributor as they contributed 93.5%, 95.2% and 95.0% to our Group's revenue respectively, which are driven by sales of ordinary eggs which contributed 93.5%, 89.2% and 90.9% to our Group's revenue respectively during the same period. Our Group launched and began to sell premium eggs in FYE 2023.

The breakdown of our Group's revenue segmentation by principal business activities for FYE 2022 to 2024 are as follows:

	FYE 2022		**FYE 2023**		**FYE 2024**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Table eggs	**125,412**	**93.5**	**139,232**	**95.2**	**143,798**	**95.0**
Ordinary eggs	125,412	93.5	130,378	89.2	137,539	90.9
- Unbranded[(1)]	107,398	80.0	112,564	77.0	121,011	80.0
- Customers' brand	11,849	8.9	8,564	5.9	10,472	6.9
- Own brand	6,165	4.6	9,250	6.3	6,056	4.0
Premium eggs[(2)]	-	-	8,854	6.0	6,259	4.1
Others[(3)]	**8,766**	**6.5**	**7,019**	**4.8**	**7,579**	**5.0**
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**

Notes:

(1) Includes soiled, spotted, cracked or broken eggs that are sold in the form of liquid eggs in bags.

(2) Comprise premium eggs labeled under our house-brand 'QPlus' and under a Hong Kong customer's brand. Sale of premium eggs under the Hong Kong customer's brand amounted to RM1.0 million for both FYE 2023 and 2024.

7. BUSINESS OVERVIEW *(Cont'd)*

(3) Comprises revenue generated from the sale of spent chickens, chicken manure, raw materials, scrap materials and handling charges.

Our Group's principal market is in Malaysia, which accounted for 96.3%, 98.9% and 99.2% of our total revenue for FYE 2022 to 2024 respectively. During this period, our Group also derived revenue from Hong Kong which accounted for 3.7%, 1.1% and 0.8% of our total revenue for FYE 2022 to 2024 respectively.

The breakdown of our Group's revenue segmentation by geographical region(1) is as follows:

	Audited					
	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	**129,240**	**96.3**	**144,572**	**98.9**	**150,191**	**99.2**
- Central(2)	78,655	58.6	91,708	62.7	103,329	68.2
- Northern(3)	42,975	32.0	47,964	32.8	39,495	26.1
- Southern(4)	6,461	4.8	4,157	2.9	6,462	4.3
- Eastern(5)	1,149	0.9	743	0.5	905	0.6
Overseas	**4,938**	**3.7**	**1,679**	**1.1**	**1,186**	**0.8**
Hong Kong	4,938	3.7	1,679	1.1	1,186	0.8
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**

Notes:

(1) The classification of our revenue by geographical region is based on the locations of our customers.

(2) Central region comprises Selangor, Kuala Lumpur and Putrajaya.

(3) Northern region comprises Perlis, Kedah, Penang and Perak.

(4) Southern region comprises Negeri Sembilan, Malacca and Johor.

(5) Eastern region comprises Pahang, Kelantan and Terengganu.

Our Group's products are mainly sold to wholesalers, retailers and food manufacturers. The breakdown of our Group's revenue segmentation by customer base is as follows:

	Audited					
	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Wholesalers	93,935	70.0	98,200	67.1	102,764	67.9
Retailers	22,204	16.6	30,506	20.9	29,947	19.8
Food manufacturers	8,871	6.6	9,420	6.4	8,901	5.9
Other customers(1)	402	0.3	1,106	0.8	2,186	1.4
Others(2)	8,766	6.5	7,019	4.8	7,579	5.0
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**

Notes:

(1) Comprises revenue generated from other customers such as third party poultry farmers who also purchase our spent chickens as well as walk-in customers.

(2) Comprises revenue generated from the sale of spent chickens, chicken manure, raw materials, scrap materials and handling charges.

As at LPD, our Group has entered into trading terms agreements with certain retailers, which sets out mutually agreed terms on amongst others, rebates, credit terms, listing fees, promotional fees and/or penalties for mislabelling. However, no fixed delivery quantities are stipulated in the trading terms agreements, as purchases by these retailers are made based on purchase orders.

7.8 SALES AND MARKETING

Our Group's sales and marketing strategies are as follows:

(a) Direct approach

We secure new customers through direct contact with potential customers. Our sales and marketing team also constantly collects market information to identify potential customers such as new wholesalers, new retailers and new food manufacturers.

(b) Referrals from business associates

We secure new customers through referrals from our business associates, including our customers and suppliers. Our ability in providing quality products to our customers coupled with our extensive customer and supplier network have brought in referrals through recommendations by our business associates, whom we dedicate to maintaining good relationships with.

(c) Corporate website

Our Group's corporate website, at www.hocksoon.com, is used to introduce and market our products as well as to provide immediate searchable information on our Group.

Pricing strategy

Following the upliftment of price control on ordinary eggs effective 1 May 2025 as detailed in Section 7.3, the prices of all our eggs including those previously subsidised are determined based on several factors, such as supply and demand conditions, feed cost, vaccination cost as well as other operational costs such as labour cost and utility cost.

7. BUSINESS OVERVIEW *(Cont'd)*

7.9 MAJOR CUSTOMERS

Our top 5 major customers and their respective revenue contributions for FYE 2022 to 2024 are as follows:

FYE 2022

No.	Major customers	Nature of business	Products	Revenue contribution		Length of relationship as at end of FYE
				RM'000	%	Years
1.	Lotuss Stores (Malaysia) Sdn Bhd	Retailer	- Ordinary eggs (unbranded, own brand 'QPlus' and customer's brand)	11,361	8.5	15
2.	My Hero Hypermarket Sdn Bhd	Retailer	- Ordinary eggs (unbranded, own brand 'QPlus' and customer's brand)	10,100	7.5	10
3.	Eggtech Manufacturing Sdn Bhd	Food manufacturer	- Ordinary eggs (unbranded)	8,870	6.6	21
4.	Soon Heng Loong Trading Sdn Bhd	Wholesaler	- Ordinary eggs (unbranded)	7,602	5.7	(1)24
5.	Jawa Maju Sdn Bhd	Wholesaler	- Ordinary eggs (unbranded)	6,997	5.2	5
			Subtotal	**44,930**	**33.5**	
			Total revenue	**134,178**	**100.0**	

7. BUSINESS OVERVIEW *(Cont'd)*

FYE 2023

No.	Major customers	Nature of business	Products	Revenue contribution		Length of relationship as at end of FYE
				RM'000	%	Years
1.	Lotuss Stores (Malaysia) Sdn Bhd	Retailer	- Ordinary eggs (own brand 'QPlus' and customer's brand) - Premium eggs (own brand 'QPlus')	14,337	9.8	16
2.	My Hero Hypermarket Sdn Bhd	Retailer	- Ordinary eggs (own brand 'QPlus' and customer's brand) - Premium eggs (own brand 'QPlus')	10,492	7.2	11
3.	Eggtech Manufacturing Sdn Bhd	Food manufacturer	- Ordinary eggs (unbranded) - Premium eggs (own brand 'QPlus')	9,635	6.6	22
4.	ZL Nutrieggs Sdn Bhd	Wholesaler	- Ordinary eggs (unbranded and own brand 'QPlus') - Premium eggs (own brand 'QPlus')	8,652	5.9	3
5.	Soon Heng Loong Trading Sdn Bhd	Wholesaler	- Ordinary eggs (unbranded and own brand 'QPlus') - Premium eggs (own brand 'QPlus')	7,664	5.2	(1)25
			Subtotal	**50,780**	**34.7**	
			Total revenue	**146,251**	**100.0**	

7. BUSINESS OVERVIEW *(Cont'd)*

FYE 2024

No.	Major customers	Nature of business	Products	Revenue contribution		Length of relationship as at end of FYE
				RM'000	%	Years
1.	Lotuss Stores (Malaysia) Sdn Bhd	Retailer	- Ordinary eggs (own brand 'QPlus' and customer's brand) - Premium eggs (own brand 'QPlus')	12,950	8.5	17
2.	ZL Nutrieggs Sdn Bhd	Wholesaler	- Ordinary eggs (unbranded) - Premium eggs (own brand 'QPlus')	10,416	6.9	4
3.	My Hero Hypermarket Sdn Bhd	Retailer	- Ordinary eggs (Own brand 'QPlus' and customer's brand) - Premium eggs (own brand 'QPlus')	10,330	6.8	12
4.	Eggtech Manufacturing Sdn Bhd	Food manufacturer	- Ordinary eggs (unbranded) and own brand 'QPlus'	8,901	5.9	23
5.	Chop Swee Heng[2]	Wholesaler	- Ordinary eggs (unbranded) - Premium eggs (own brand 'QPlus')	6,745	4.5	5
			Subtotal	**49,342**	**32.6**	
			Total revenue	**151,377**	**100.0**	

Notes:

(1) Represents the business relationship with Soon Heng Loong Trading Sdn Bhd's predecessor, Soon Heng Loong Trading (a partnership) from 1998 to the respective FYE.

(2) Chop Swee Heng is a partnership registered in Malaysia under the Partnership Act 1961.

For FYE 2022 to 2024, our Group's top 5 major customers contributed 33.5%, 34.7% and 32.6% of its total revenue respectively. Our Group is not dependent on any of its major customers as none of its major customers contribute to more than 10.0% of our Group's revenue individually. Additionally, table eggs are a staple food and widely consumed source of protein, ensuring consistent market demand.

Therefore, in the event that any of the above major customers opt to reduce or cease their purchases of our Group's table eggs, our Group will be able to mitigate this by securing sales from existing customers and/ or new customers.

7. BUSINESS OVERVIEW *(Cont'd)*

7.10 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

For FYE 2022 to 2024, the primary supplies purchased by our Group were raw materials and ingredients used for the production of poultry feed which collectively accounted for 85.9%, 84.4% and 82.3% of our Group's total purchases respectively.

The breakdown of our purchases by types of supplies and by currencies for FYE 2022 to 2024 is as follows:

Supplies	Source of supplies	FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%
Raw materials and ingredients		91,414	85.9	88,554	84.4	85,876	82.3
- Maize	Local suppliers who import from Argentina and Brazil	44,992	42.3	39,079	37.3	35,267	33.8
- Soybean meal	Local suppliers who produce locally and import from Argentina	26,315	24.7	30,338	28.9	31,382	30.1
- Sunflower meal	Local suppliers who import from Ukraine	6,010	5.6	7,677	7.3	5,439	5.2
- Wheat and pollard	Local suppliers who import from Ukraine	1,723	1.6	1,261	1.2	4,390	4.2
- Others	Local suppliers	12,374	11.7	10,199	9.7	9,397	9.0
Ready made poultry feed	Local	1,066	1.0	1,626	1.6	1,865	1.8
Vaccines and medications	Local and overseas (Singapore)	7,235	6.8	6,765	6.5	7,432	7.1
Packaging material	Local	4,108	3.9	4,380	4.2	4,882	4.7
Day-old-chicks	Local	2,621	2.4	3,495	3.3	3,817	3.7
Table eggs[1]	Local	-	-	-	-	404	0.4
	Total purchases	**106,444**	**100.0**	**104,820**	**100.0**	**104,276**	**100.0**

Note:

[1] For FYE 2024, our Group purchased table eggs from third party egg producers/ suppliers to meet a one-off surge in our customers' orders.

Currency	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
RM	104,757	98.4	103,984	99.2	102,908	98.7
USD	1,687	1.6	836	0.8	1,368	1.3
Total purchases	**106,444**	**100.0**	**104,820**	**100.0**	**104,276**	**100.0**

7. BUSINESS OVERVIEW *(Cont'd)*

Our Group has not encountered any major disruptions in the purchase of supplies in FYE 2022 to 2024. Save for day-old-chicks, all other supplies are generally readily available and can be easily sourced in the market. For FYE 2022 to 2024, we sourced day-old-chicks solely from a major supplier. Our business operations may be interrupted if we are unable to source day-old-chicks from the supplier. Please refer to Section 9.1.7 for the risk of dependency on the major supplier for the sourcing of day-old-chicks.

The prices of raw materials and ingredients for the production of poultry feed as well as ready-made poultry feed are subject to price fluctuations according to the global commodity prices. As such, our financial performance may be adversely impacted if there are substantial price fluctuations in the prices of raw materials and ingredients. During FYE 2022 to 2024, we experienced fluctuations in global commodity prices which led to fluctuations in our raw materials and ingredients. For FYE 2022 to 2024, the variations in the average purchase prices of key raw materials and ingredients i.e. maize and soybean meal, as compared to the respective previous FYE, are as follows:

	Increase/ (Decrease)		
Key raw materials and ingredients	**FYE 2022**	**FYE 2023**	**FYE 2024**
Maize	19.0%	(10.7%)	(22.5%)
Soybean meal	25.1%	1.1%	(26.7%)

In FYE 2022, the purchase prices of maize and soybean meal increased substantially in tandem with the increase in market prices, mainly due to the geopolitical tensions between Ukraine (i.e. one of the world's largest maize producers) and Russia (i.e. one of the world's largest fertilisers producers). Subsequently in FYE 2023 and 2024, the purchase prices of maize and soybean meal were generally on a declining trend, also in line with the decrease in market prices as market conditions normalised. Nonetheless, the impact of the fluctuations, in particular the increase in purchase prices of maize and soybean meal in FYE 2022, were cushioned by government subsidies received by our Group. Please refer to Section 9.1.3 for our risks arising from price fluctuation of supplies. Save for the above, the remaining supplies are not subject to major price fluctuations. For FYE 2022 to 2024 and up to LPD, our Group does not enter into forward contracts or other arrangements to secure or lock in the purchase prices of key raw materials and ingredients for our poultry feed production. Nevertheless, we monitor market prices closely and, from time to time, may purchase supplies for 1 to 3 months in advance to take advantage of lower material prices. Notwithstanding such practice, we may, when deemed necessary, utilise forward contracts or other arrangements in the future to mitigate the risk arising from price fluctuations of raw materials and ingredients.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.11 MAJOR SUPPLIERS

Our top 5 major suppliers and their respective purchase contributions for FYE 2022 to 2024 are as follows:

FYE 2022

No.	Major suppliers	Main products sourced	Value of purchases		Length of relationship as at end of FYE
			RM'000	%	Years
1.	Hoe Seng Chan Company Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal, wheat and pollard)	36,397	34.2	23
2.	Cargill (Malaysia) Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal and sunflower meal)	14,796	13.9	21
3.	Soon Soon Oilmills Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. soybean meal)	9,583	9.0	21
4.	FFM Berhad	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal and pollard)	7,570	7.1	21
5.	Louis Dreyfus Merchandising Malaysia Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize)	5,262	5.0	7
		Subtotal	**73,608**	**69.2**	
		Total purchases	**106,444**	**100.0**	

7. BUSINESS OVERVIEW *(Cont'd)*

FYE 2023

No.	Major suppliers	Main products sourced	Value of purchases		Length of relationship as at end of FYE
			RM'000	%	Years
1.	Hoe Seng Chan Company Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal, wheat and pollard)	33,504	31.9	24
2.	Cargill (Malaysia) Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal and sunflower meal)	21,926	20.9	22
3.	FFM Berhad	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal and pollard)	12,756	12.2	22
4.	Soon Soon Oilmills Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. soybean meal)	5,330	5.1	22
5.	Leong Hup Group of Companies[1]	Ready-made poultry feed, day-old-chicks and vaccines and medications	5,225	5.0	23
		Subtotal	**78,741**	**75.1**	
		Total purchases	**104,820**	**100.0**	

7. BUSINESS OVERVIEW *(Cont'd)*

FYE 2024

No.	Major suppliers	Main products sourced	Value of purchases		Length of relationship as at end of FYE
			RM'000	%	Years
1.	Hoe Seng Chan Company Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal, wheat and pollard)	26,250	25.2	25
2.	Cargill (Malaysia) Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal and sunflower meal)	22,628	21.7	23
3.	Sun Best Marketing Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. maize, soybean meal, wheat and pollard)	7,074	6.8	12
4.	Soon Soon Oilmills Sdn Bhd	Raw materials and ingredients for the production of poultry feed (e.g. soybean meal)	6,041	5.8	23
5.	Leong Hup Group of Companies[(1)]	Ready-made poultry feed, day-old-chicks and vaccines and medications	5,799	5.5	24
		Subtotal	**67,792**	**65.0**	
		Total purchases	**104,276**	**100.0**	

Note:

(1) Leong Hup Group of Companies comprises Leong Hup Poultry Farm Sdn Bhd, Leong Hup Agrobusiness Sdn Bhd and Leong Hup Feedmill Malaysia Sdn Bhd.

For FYE 2022 to 2024, our Group's top 5 major suppliers contributed 69.2%, 75.1% and 65.0% of our total purchases respectively. For FYE 2022 to 2024, Hoe Seng Chan Company Sdn Bhd was our Group's largest supplier of raw materials and ingredients for the production of poultry feed, which accounted for 34.2%, 31.9% and 25.2% of our Group's total purchases respectively. Over the same period, Cargill (Malaysia) Sdn Bhd was our Group's second largest supplier of raw materials and ingredients for the production of poultry feed, which accounted for 13.9%, 20.9% and 21.7% of our total purchases.

In view of the high contributions of the purchase of our Group's supplies from Hoe Seng Chan Company Sdn Bhd and Cargill (Malaysia) Sdn Bhd for FYE 2022 to 2024, our Group is dependent on both these suppliers for the supply of raw materials and ingredients for the production of poultry feed such as maize, soybean meal, wheat, pollard and sunflower meal. In the event that Hoe Seng Chan Company Sdn Bhd and Cargill (Malaysia) Sdn Bhd cease supplying to our Group, our production of poultry feed may be interrupted if our Group is unable to purchase similar raw materials and ingredients from alternative suppliers before the inventory is depleted. In such circumstances, if our Group is unable to source ready-made poultry feed from suppliers at the required amount, our operations will be adversely affected as our Group may not have sufficient poultry feed to feed the layer chickens, which may consequently lead to insufficient nutrition intake of the chickens and affecting the quality of the table eggs. If this worsens, the layer chickens may be exposed to risk of mortality. Nonetheless, raw materials and ingredients purchased from Hoe Seng Chan Company Sdn Bhd and Cargill (Malaysia) Sdn Bhd are commodities that are readily available in the market at comparable prices. Hence, our Group believes we will able to source from alternative suppliers if Hoe Seng Chan Company Sdn Bhd and Cargill (Malaysia) Sdn Bhd cease supplying to our Group, thereby mitigating our risk of dependency on them.

Our Group is also dependent on Leong Hup Group of Companies for the supply of day-old-chicks as Leong Hup Group of Companies is our Group's sole supplier of day-old-chicks. In the event that our Group is unable to source day-old-chicks from Leong Hup Group of Companies due to factors beyond our control (e.g. commercial reasons, decision to keep all day-old-chicks for internal rearing or outbreaks of poultry infections and diseases), our Group will be required to source day-old-chicks of the identical breed from alternative suppliers. If our Group is unable to secure alternative suppliers of day-old-chicks in a timely manner and/ or on commercially acceptable terms, our Group will face shortage of our day-old-chicks and delays in filling our chicken coops with day-old-chicks for rearing. In such circumstances, our Group may face a prolonged decline in our egg production and thus materially and adversely affect our business operations and financial performance. Nevertheless, our Group's dependency on Leong Hup Group of Companies is mitigated by the fact that there are alternative suppliers in the market that supply day-old-chicks of the identical breed at comparable prices. Premised on the above, our Group does not foresee any material impact to our operations and financials if we are unable to source day-old-chicks from Leong Hup Group of Companies.

7.12 INTERRUPTION TO OUR BUSINESS OPERATIONS

Our Group did not experience any material interruptions which had a significant effect on our operations during the past 12 months preceding the LPD.

7.13 INSURANCE

We maintain insurance policies which include fire insurance, burglary insurance, products liability insurance, goods in transit insurance, medical benefits and hospitalisation insurance, as well as motor vehicle insurance to defray our exposure to numerous risks arising from the operation of our poultry farming business.

These insurance policies have specifications and insured limits that we believe are appropriate and sufficient, taking into consideration our risk level and exposure to such loss, the cost of such insurance, applicable regulatory requirements and the prevailing industry practice in Malaysia. Our Group's total insurance coverage as at LPD amounts to RM29.1 million. Further, we also periodically conduct reviews of our insurance coverage to ensure we are appropriately and sufficiently covered. Our Board is of the view that our Group's insurance coverage is sufficient for its business and operations.

7.14 SEASONALITY AND CYCLICALITY

We generally experience a decrease in demand during the month of Ramadan which could be due to lower consumption of eggs during this period. Nonetheless, in overall, we are generally not affected by seasonal and cyclical effects as our product being a staple food is purchased and consumed throughout the year.

7.15 OPERATING CAPACITIES AND OUTPUT

As at LPD, we have a total of 33 closed-house chicken coops, of which 7 chicken coops are for rearing of pullets and 26 chicken coops are for rearing of mature hens. These chicken coops are varied in size and capacity, whereby our chicken coops for pullets have a capacity to accommodate between 41,472 and 82,560 pullets, and our chicken coops for mature hens have a capacity to accommodate between 40,320 and 90,240 mature hens, at any given time. The tables below set out the utilisation rates of our Group's chicken coops dedicated for pullets and mature hens respectively from FYE 2022 to 2024.

Pullets

	FYE 2022	FYE 2023	FYE 2024
Estimated capacity[1]	404,352	404,352	486,912
Average number of pullets[2]	224,333	242,971	265,985
Utilisation rate[3](%)	55.5	60.1	54.6

Notes:

(1) Refers to the total number of pullets that can be housed in our dedicated chicken coops for pullets at any one point in time during the respective FYE. In FYE 2022 and FYE 2023, we had 6 chicken coops dedicated for pullets with a total capacity to accommodate 404,352 pullets. In FYE 2024, we expanded with an additional chicken coop for pullets, resulting in a total of 7 chicken coops dedicated for pullets with a total capacity to accommodate 486,912 pullets.

(2) Refers to the average total number of pullets as at the end of each month for the respective FYE.

(3) The utilisation rate is computed by dividing the average number of pullets over the estimated capacity.

Mature hens

	FYE 2022	FYE 2023	FYE 2024
Estimated capacity(1)	1,560,512	1,560,512	1,735,232
Average number of mature hens(2)	1,112,564	1,145,658	1,211,903
Utilisation rate(3)(%)	71.3	73.4	69.8

Notes:

(1) Refers to the total number of mature hens that can be housed in our dedicated chicken coops for mature hens at any one point in time as at the end of the respective FYE. In FYE 2022 and FYE 2023, we had 24 chicken coops dedicated for mature hens with a total capacity to accommodate 1,560,512 mature hens. In FYE 2024, we expanded with 2 additional chicken coops for mature hens, resulting in a total of 26 chicken coops dedicated for mature hens with a total capacity to accommodate 1,735,232 mature hens. In FYE 2025, we upgraded one of our existing closed-house chicken coops for mature hens, which increased our total capacity to accommodate 1,740,864 mature hens as at LPD.

(2) Refers to the average total number of mature hens as at the end of each month for the respective FYE.

(3) The utilisation rate is computed by dividing the average number of mature hens over the estimated capacity.

The table below set out the daily egg production efficiency rate of our Group's mature hens respectively from FYE 2022 to 2024.

	FYE 2022	FYE 2023	FYE 2024
Estimated egg production capacity per day	1,326,000	1,326,000	1,475,000
Annual egg production capacity	483,990,000	483,990,000	539,850,000
Total eggs produced(1)	356,911,549	369,493,482	397,956,368
Average eggs produced per day(2)	977,840	1,012,311	1,087,312
Daily egg production achievement rate(3)(%)	73.7%	76.3%	73.7%

Notes:

(1) Refers to the total number of eggs produced by our layer chickens in the respective FYEs.

(2) Calculated by dividing the total eggs produced in the respective FYE against the total number of days in the respective FYE (i.e. 365 days for FYE 2022 and FYE 2023, and 366 days for FYE 2024).

(3) The daily egg production achievement rate is computed by dividing the average eggs produced per day over the estimated egg production capacity per day.

Further, we have 2 automated egg grading and sorting lines as at LPD which we use to categorise our eggs according to weight. The table below sets out the egg grading and sorting capacity of our Group from FYE 2022 to 2024:

	FYE 2022	FYE 2023	FYE 2024
Estimated annual capacity[1]	525,600,000	525,600,000	527,040,000
Actual annual utilisation[2]	356,911,549	369,493,482	397,956,368
Utilisation rate[3](%)	67.9	70.3	75.5

Notes:

(1) The estimated annual capacity is computed based on our total egg grading and sorting capacity that can be processed by our Group's machines in 1 working shift of 7.5 hours per day, for 365 working days for FYE 2022 and 2023 and for 366 working days for FYE 2024.

(2) The actual annual utilisation is computed based on the total number of eggs that are sorted and graded in the respective FYEs.

(3) The utilisation rate is computed by dividing actual annual utilisation over estimated annual capacity.

We also utilise 2 computerised poultry feed production lines as at LPD to produce poultry feed in-house to support our poultry farming operations. The table below sets out the poultry feed production capacity of our Group from FYE 2022 to 2024.

	FYE 2022	FYE 2023	FYE 2024
Estimated annual capacity (MT)[1]	89,856.0	89,856.0	89,856.0
Actual annual production (MT)[2]	51,370.3	53,124.0	54,870.2
Utilisation rate[3](%)	57.2	59.1	61.1

Notes:

(1) The estimated annual capacity is computed based on our total production capacity of 288 MT per day for 6 working days a week, for 52 weeks a year.

(2) The actual annual production is computed based on the total poultry feed produced in the respective FYEs.

(3) The utilisation rate is computed by dividing actual annual production over estimated annual capacity.

7.16 R&D

Our Group does not have a formally set-up R&D facility or personnel. However, improvement efforts are constantly undertaken by our Group with regards to our poultry farming operations and poultry feed formulations led by Ong Boon Leng, who is our Managing Director. Our Group has continuously kept abreast with any developments of farming and agricultural practices within the poultry farming industry to adopt any improvements made in poultry health and nutrition as well as the nutritional value of eggs. We also dedicate efforts on the improvements in poultry feed formulation as the nutritional value of the poultry feed fed to our chickens has a direct impact on the quality of eggs produced. In 2022 we successfully developed and launched our premium poultry feed formulations that are enriched with Vitamin E, Omega DHA and selenium which led to the introduction of our premium egg product range. The nutritional value of our newly developed poultry feed formulations is tested by external third party laboratories.

7.17 OUR COMPETITIVE STRENGTHS

7.17.1 We have a track record of 46 years in the layer poultry industry

Our Group has been involved in the layer poultry industry spanning approximately 46 years since the incorporation of Hock Soon Poultry Farm and business commencement in 1979 in Bidor, which we remain operating to-date. Over the years, we have scaled up our business by enhancing our operational efficiencies through the transition from traditional open-house chicken coops to closed-house chicken coops whereby we have automated various functions such as feeding, egg collection and manure disposal processes; as well as through the automation of our egg grading and sorting process. Throughout the years, we have also increased the number of our chicken coops which has resulted in increased egg production capacity. In 1997 when we first adopted closed-house system, we started out with 3 closed-house chicken coops. As at LPD, we have increased the number of chicken coops to 33 with an egg production capacity of approximately 1,480,000 eggs per day. Further, we began to operate a computerised feed mill in 1999 to support our growing poultry farming operations whilst having better control over the quality of our poultry feed.

Due to our long-standing presence in the industry, our Group has gained in-depth industry knowledge and understanding on the agricultural practices and poultry feed formulations. This enables us to operate and manage our poultry farming business efficiently, leading to a stable egg production rate. During FYE 2022 to 2024, our poultry farm has recorded egg production rates of 87.9%, 88.4% and 89.7% respectively. In addition, we have established long-standing relationship with our customers, evidenced by the length of relationship with our major customers whereby 4 out of 7 major customers disclosed in Section 7.9 have at least 10 years business relationships as at LPD with our Group.

Armed with a 46-year business history in the layer poultry industry, our Group has been through business and economic cycles, which demonstrates our business growth and resilience, including weathering adverse economic and market conditions. With such a foundation, our Group believes that we will be able to continue leveraging on our experience and industry knowledge to drive the growth and expansion of our business.

7.17.2 Our business operations are largely automated which contributes to operational efficiency

Our business operations are largely automated from the rearing of layer chickens in our closed-house chicken coops to sorting and sale of eggs through automated grading and sorting lines, as well as feed mill operations via 2 computerised poultry feed production lines, all of which have contributed to greater operational efficiency in our poultry farming operations. The details of our automated business operations are as follows:

(a) **Closed-house chicken coops**: As at LPD, we have 33 chicken coops housing our layer chickens, all of which are closed-house systems equipped with automated feed hoppers, automated drinking systems, temperature sensors, pad cooling systems, computer-controlled fans and air inlet valves. It automates our feeding process and creates a controlled and optimal environment for rearing of layer chickens and production of eggs. Our closed-house chicken coops are also equipped with egg collection belts and manure collection belts to automate the egg collection and manual disposal processes. Further, 16 out of 26 of our closed-house chicken coops for mature hens are connected via automated conveyor belts that transport eggs collected from the respective chicken coops to our central grading and sorting station. Whereas eggs from the remaining 10 chicken coops for mature hens, that are not connected to our central grading and sorting station via an automated conveyor belt, are transported using our egg packer machines to pack the eggs into trays before being transported to our central grading and sorting station.

Adopting automation allows us to benefit from increased efficiency and reduced human resources required to carry out these activities manually. It also minimises our layer chickens from physical contact with our workers, in order to reduce the risk of contamination and disease outbreak.

(b) **Automated grading and sorting of eggs**: We have 2 automated grading and sorting lines that categorise our eggs according to weight and pack the sorted and graded eggs into egg trays.

The automation of the grading and sorting process minimises the risk of human errors (e.g. mislabelling or wrongful grading and sorting of eggs) during the grading and sorting process. In addition, the automation of our grading and sorting process is also essential to ensure optimal efficiency as we continue to grow our egg production capacity.

(c) **Computerised feed mill operations**: We operate a feed mill to produce poultry feed in-house to support our poultry farming operations. Our feed mill houses 2 computerised poultry feed production lines that enables us to precisely control and manage the ratio of raw materials and ingredients used in the production of poultry feed, as well as to automate the production process.

As a result of automating the above processes, we have been able to increase the efficiency and productivity of our business operations and simultaneously reduce reliance on human labour. This reduced reliance in human labour translates to improved accuracy and reliability, as well as cost savings for our Group.

7.17.3 We possess a vertically integrated business model which enables us to better control the cost and quality of our poultry feed and table eggs

Our business is vertically integrated, starting from rearing of layer chickens which is supported by in-house formulation and production of poultry feed, to sorting and sale of eggs. The quality of poultry feed plays an integral role in determining the health and nutrition of our layer chickens and consequently affect the type and quality of the eggs produced. Thus, having an in-house feed mill operations enables us to gain better control over the quality of poultry feed to ensure the quality and nutrients of our table eggs. It also enables us to control the raw materials and ingredients used in the production of poultry feed, as well as our operational cost as poultry feed is one of the key supplies in running our poultry farming business.

The production of poultry feed is backed by our Group's expertise and capabilities in developing the formulation of its poultry feed. During the feed formulation process, our Group consults an external nutritionist to identify the modifications that are required depending on the layer chickens (i) differing nutritional requirements at differing developmental stages; (ii) exposure to environmental stressors (e.g. heat stress) that may result in nutritional deficiencies; and (iii) recommended nutritional requirements to stimulate the production of eggs at the desired sizes according to market preferences. As at LPD, our Group uses 14 varieties of poultry feed to feed its layer chickens, out of which 12 varieties are formulated by our Group while the remaining 2 varieties of poultry feed are sourced from external suppliers. With our Group's expertise in feed formulation, our Group is able to adjust the raw materials and ingredients used from time to time to cater to the differing requirements of its layer chickens (particulars of which are stated above) as well as the quality of its raw material and ingredients for poultry feed to maintain and uphold the quality of the eggs.

7.17.4 We contribute to food security as eggs are staple foods and widely consumed, hence our business is sustainable and well-positioned for growth

According to the IMR Report, food security refers to people's consistent physical and economic accessibility to sufficient safe and nutritious food that meets their dietary needs and food preferences to achieve active and healthy lives. Our Group contributes to food security as we are involved in the production and supply of table chicken eggs which is a staple food across the population.

Chicken eggs are widely consumed due to its nutritional value as well as simplicity in preparation/ cooking. Chicken eggs are a natural and widely consumed source of protein that is rich in vitamin B2, B12, D, selenium and iodine. Chicken eggs can be eaten raw, cooked and prepared in a variety of ways (e.g. steamed, boiled and fried); as well as used in food preparation and easily incorporated in many dishes. Therefore, it serves as a staple food for home consumption as well as an ingredient used by foodservice operators and restaurants.

As such, our business is resilient to economic downturns as eggs are staple foods widely consumed by individuals as well as in the F&B business. According to the IMR Report, the population in Malaysia grew from 32.38 million in 2018 to 33.40 million in 2023 at a CAGR of 0.62%. A growing population signifies a growing demand for food, especially staple food, including eggs.

Further, the increasing living standards in Malaysia, which is represented by the growth in per capita income, increased from RM41,232.24 in 2018 to RM46,200.60 in 2023. This indicates the growing spending power of the Malaysian population, which is expected to drive the continuous demand for necessity goods (e.g. food products, clothing and housing), including eggs, which is a common staple in many Malaysians' diets. This can be evidenced by the growth in per capita consumption of chicken eggs over the same period from approximately 329 units per year in 2018 to 422 units per year in 2023. The growth in spending power is also expected to boost the demand for F&B services as well as processed F&B products, thus increasing the demand of eggs for commercial food preparation, processing and manufacturing.

In addition, the F&B services industry grew from RM50.80 billion in 2021 to RM71.00 billion in 2023, registering a CAGR of 18.22% over the period. Moving forward, the F&B services and F&B processing and manufacturing industries are expected to continue to be supported by the overall economy expansion in Malaysia, in turn driving the demand for eggs.

As the population and economic conditions in Malaysia continue to grow, the demand for chicken eggs is expected to grow in tandem. From FYE 2022 to 2024, our Group's revenue increased from approximately RM134.2 million to approximately RM151.4 million, registering a CAGR of RM 6.2%. As such, our business demonstrates sustainability, and we are well-positioned for future growth leveraging on the continuous demand for food and the need to strengthen food security in the country.

7.17.5 We have an experienced and hands-on management team

Our Group is led by an experienced and technically skilled management team that has accumulated years of industry experience and in-depth knowledge of our business operations. Our Managing Director, Ong Boon Leng, who has over 40 years of experience in the industry, plays a pivotal role in steering the growth and success of our Group. His experience, drive and passion for our business have been instrumental to our Group's continuous expansion. He has conceptualised and implemented various business and marketing strategies that led our Group to its current position in the industry. He is supported by the following Executive Directors and key senior management:

Name	Designation	[(1)]Years of relevant working experience
Lim Suk Gen	Executive Director	39
Ong Keat Qian	Executive Director	15
Ong Keat Hoe	Executive Director	5
Choong Chyan Leong	Chief Financial Officer	21
Lee Swet Mei	Head of Sales	25
Dr. Sharifah Nurul Hanim Binti Sy Ibrahim	Veterinarian	10

Note:

(1) Years of relevant working experience refers to the working experience accumulated within their field of expertise and/ or in the poultry industry.

Our management team has strong industry and functional expertise as a result of years of experience in their respective fields. They take an active role in spearheading their respective departments to support the growth of our Group. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand. Please refer to Section 5.2.2 and 5.3.3 for the profiles of our Executive Directors and key senior management.

7.18 BUSINESS STRATEGIES AND FUTURE PLANS

7.18.1 We intend to expand our poultry farming business by setting up a new poultry farm in the Teluk Intan Lands as well as expanding our feed mill operations in our Bidor Integrated Farm

Since the commencement of our business in 1979, we have been operating in Bidor. Leveraging on our extensive experience in the layer poultry industry, we intend to expand our egg production capacity by setting up a new poultry farm at the Teluk Intan Lands, which will allow us to serve a greater number of customers and thereby contributing to our business and financial growth as well as potentially expanding our market share.

In preparation for the setup of the new poultry farm at the Teluk Intan Lands, we purchased 3 plots of adjacent land in Teluk Intan measuring approximately 21.3 Ha (i.e. Teluk Intan Lands) in December 2024. This new poultry farm will also be equipped with automation systems, monitoring and control systems, and a central grading and sorting station. We intend to set up a total of 25 closed-house chicken coops at the new poultry farm at the Teluk Intan Lands which comprises 5 closed-house chicken coops for pullets and 20 closed-house chicken coops for mature hens. We also intend to continue sourcing day-old-chicks from our existing supplier (i.e. Leong Hup Group of Companies) for our poultry farm operations at the Teluk Intan Lands.

Upon completion of this new poultry farm at the Teluk Intan Lands, our Group's total egg production capacity is expected to increase by approximately 1,534,000 eggs per day, in addition to our current production of 1,480,000 eggs per day as at LPD, which represents an increase of approximately 103.6%. Further, we intend to set up 2 egg grading and sorting lines with a grading and sorting capacity of 96,000 eggs per hour, to support our poultry farming operations at the new poultry farm at the Teluk Intan Lands.

The total estimated setup cost of our new poultry farm at the Teluk Intan Lands are as follows:

Description	**Estimated cost**
	RM'000
Construction costs of 25 chicken coops	[•]
Purchase and installation of equipment for 20 chicken coops for mature hens[(1)]	[•]
Purchase and installation of equipment for 5 chicken coops for pullets[(1)]	[•]
Purchase and installation of equipment for the central egg grading and sorting station	[•]
Total	**[•]**

Note:

(1) Comprise the necessary equipment for closed-house chicken coops, including automation systems as well as monitoring and control systems similar to the chicken coops at our Bidor Integrated Farm.

The total estimated setup cost of the new poultry farm at the Teluk Intan Lands is approximately RM[•] million, of which RM[•] million will be funded from the gross proceeds to be raised from our Public Issue and the remaining RM[•] million will be funded through bank borrowings and/ or internally generated funds.

In line with the expansion of our poultry farming operations at our new poultry farm located at Teluk Intan lands, we intend to expand our feed mill operations at our Bidor Integrated Farm to support the increased consumption of poultry feed arising from the expansion of the number of chicken coops at the Teluk Intan Lands, by installing 1 computerised poultry feed production line with a total production capacity of 225 MT per day. The installation of the 1 computerised poultry feed production line is estimated to cost RM26.1 million, which will be funded through internally generated funds, the proportion of which will be dependent on our Group's cash flow position and gearing situation at the time. We intend to commence the installation of the 1 computerised poultry feed production line at our Bidor Integrated Farm and commence operations thereafter by 4th quarter of 2027.

7. BUSINESS OVERVIEW *(Cont'd)*

We had on 10 March 2025 submitted the building plan of the new poultry farm to be established at the Teluk Intan Lands to local council and the approved building plan is expected to be obtained within 6 months from submission. Thereafter, we will mobilise and commence the construction of closed-house chicken coops at the Teluk Intan Lands and the construction works of each closed-house chicken coop takes approximately 3 months. The construction works and operations of 25 closed-house chicken coops in our new poultry farm will be progressively commenced within the estimated timeframe of 60 months from the date of our Listing, with a tentative timeline as follows:

Timeline from date of Listing (T)[1]	Number of chicken coops to be constructed and commenced operations		Estimated cost incurred (RM'000)	Estimated daily egg production capacity	Estimated cumulative daily egg production capacity
	Pullets	Mature hens			
T + 6 months	1	1	[2][•]	76,700	76,700
T + 12 months	-	3	[•]	230,100	306,800
T + 18 months	1	2	[•]	153,400	460,200
T + 24 months	-	2	[•]	153,400	613,600
T + 30 months	1	2	[2][•]	153,400	767,000
T + 36 months	-	2	[•]	153,400	920,400
T + 42 months	1	2	[•]	153,400	1,073,800
T + 48 months	-	2	[•]	153,400	1,227,200
T + 54 months	1	2	[•]	153,400	1,380,600
T + 60 months	-	2	[•]	153,400	1,534,000
Total	**5**	**20**	**[•]**	**1,534,000**	

Notes:

(1) Refers to a tentative progressive timeline for the construction of 25 chicken coops across an estimated timeframe of 60 months, whereby the timeline is subject to change, mainly depending on the prevailing market conditions (i.e. supply and demand conditions). For instance, in the event of market oversupply, we may slow down our plan and adjust the construction timeline accordingly. For other possible factors that may affect the abovementioned timeline, please refer to Section 9.1.14 for further details.

(2) Includes the purchase and installation of equipment for the central egg grading and sorting station of RM[•] million scheduled for T + 6 months and RM[•] million at T + 30 months.

Our Directors believe that constructing the 25 chicken coops over a progressive timeline will enable us to expand our business prudently, aligning growth with market conditions and the gradual expansion of our customer base as detailed in Section 7.18.2. With the incremental cash inflows generated from the sale of eggs produced from these additional chicken coops, our Directors expect our Group to be able to recoup the cash outlays for the construction of the coops in aggregate within 6 years. Please refer to Section 4.9.1 for further details of the timeline of the setup of our new poultry farm at the Teluk Intan Lands. We believe that having the new poultry farm at the Teluk Intan Lands will increase our egg production capacity, thereby driving our business and financial growth.

In addition, the setting up of the new poultry farm at the Teluk Intan Lands will enable us to fulfil the increasing demand for table eggs in Malaysia. According to the IMR Report, despite the decline of per capita consumption of chicken eggs from approximately 329 units per year in 2018 to approximately 263 units per year in 2019, the consumption of chicken eggs per capita is on an upward trend increasing from approximately 263 units per year in 2019 to an estimated 422 units per year in 2023. Moving forward, the demand for table eggs will continue to be driven by:

- **Food security**: To maintain or continue strengthening food security in Malaysia, it is critical to ensure stable supply of staple food, including eggs which are also a common source of protein that are widely consumed by individuals.

- **Growing population and economic affluence**: The population in Malaysia grew from 32.38 million in 2018 to 34.06 million in 2024 at a CAGR of 0.85%. A growing population signifies a growing demand for food, especially staple food, including eggs. In conjunction with the population growth in Malaysia, the gross domestic product ("**GDP**") in Malaysia increased at a CAGR of 3.27% from RM1.36 trillion in 2018 to RM1.65 trillion in 2024, signifying that Malaysia is en route to becoming a more resilient and sustainable nation. Improving economic condition of the country, as represented by the GDP, paired with the growing population, are expected to continue to drive the demand for eggs.

- **Growth in end-user industries**: Eggs are also widely used by food service operators and food manufacturers for commercial food preparation, processing and manufacturing. After a decline in 2020 and 2021 due to the COVID-19 pandemic, the F&B services industry recovered and grew from RM50.80 billion in 2021 to RM71.00 billion in 2023, registering a CAGR of 18.22% over the period. On the other hand, the manufacturing sales value of selected food products that use eggs in manufacturing (i.e. biscuits and cookies, snack products, bread, cakes and other bakery products) also grew at a CAGR of 28.21% from RM6.11 billion in 2018 to RM21.17 billion in 2023. The growth in the F&B services industry as well as food manufacturing industry are expected to drive the demand for eggs.

Our Group believes that as the demand for eggs continue growing underpinned by the abovementioned factors, it provides growth opportunities for us to continue growing our business by expanding our egg production. Further, our Group recorded a market share of 2.33% in terms of production volume and 2.21% in terms of production value, in 2023. This signifies a potential for our Group to expand our market share as we grow our egg production capacity alongside the growth in our customer base as detailed in Section 7.18.2.

7.18.2 We intend to actively expand our customer base to continue growing our financial performance

As at LPD, our eggs are mainly sold to wholesalers, retailers and food manufacturers, and our eggs are accessible to consumers at wet markets, mini markets and sundry shops as well as several grocery chain-stores such as Lotus's, HeroMarket and Jaya Grocer. As at LPD, our eggs are sold to 49 wholesalers, 6 retailers and 1 food manufacturers. Further, majority of our distribution network is concentrated in the Klang Valley region. We intend to expand our consumer reach by making our products more accessible to consumers through strengthening our distribution network and establishing more distribution channels in more wet markets, mini markets, sundry shops and grocery chain-stores.

Since September 2024, we have commenced the direct marketing and sale of our table eggs to smaller retailers such as wet markets and households via our subsidiary Al-Kauthar Trading that was established in September 2024 to expand our distribution network and increase the accessibility of our table eggs to consumers via smaller retailers. We intend to continue doing so by (i) actively engaging and building relationships with more wholesalers for distribution of our products to more retailers; and (ii) identifying and engaging with retailers whom we do not sell to as at LPD, to have our products sold at their retail stores. In addition to the above, we also intend to leverage on existing business relationships by increasing the volume of table eggs sold to existing wholesalers and retailers. This is in conjunction and anticipation with the increased egg production through the setting up of the new poultry farm at the Teluk Intan Lands.

As we continue to expand our customer base, our financial performance is expected to improve in tandem. Further, by marketing our 'QPlus' house brand eggs at more grocery chain-stores, we will be able to increase our brand exposure to attract consumers in purchasing our eggs, thereby strengthening our market position in the layer poultry industry.

7.18.3 We intend to expand our sales by exporting our table eggs to Singapore

As at LPD, we primarily serve the Malaysian market that contributed 96.3%, 98.9% and 99.2% to our Group's revenue for FYE 2022 to 2024 respectively. Leveraging on our established presence and success as well as approximately 46 years of operational experience in Malaysia, we believe that we are ready to take a leap to expand our sales to Singapore.

In June 2024, we submitted our application for an export licence to the Singapore Food Agency and in July 2025, we underwent the required audit as part of the licence application process. We are targeting to receive approval for the export licence application by 1st quarter of 2026. Once the export licence is granted, we will be able to directly supply our table eggs to wholesalers and retailers in Singapore. In preparation for our market expansion, we have initiated engagement with potential customers to establish our customer base in Singapore. Venturing into the Singapore market will enable us to increase sales, drive business and financial growth as well as diversify our revenue streams. All of these are expected to help mitigate our dependency on the Malaysian market as well as our exposure to fluctuations in egg prices and prices of raw materials and ingredients used for the production of poultry feed, following the removal of price controls and subsidies of ordinary eggs by the Government.

Furthermore, according to the IMR Report, from 2019 to 2024, total consumption of chicken eggs in Singapore increased from 2.05 billion units to 2.25 billion units, registering a CAGR of 1.9%. However, local production of chicken eggs in Singapore only met 25.7% to 34.4% of the total consumption of chicken eggs in Singapore during the same period, as Singapore typically relies on imports for the majority of its supply of chicken eggs to meet the local demand. Premised on the above, our Group believes that there is a significant opportunity for us to tap into the Singapore market to address the local demand for chicken eggs, while simultaneously establishing our presence and expanding our sales.

8. IMR REPORT

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)
15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date: 24 March 2025

The Board of Directors

Hock Soon Capital Berhad
Batu 4, Jalan Sungkai
35500 Bidor
Perak

Dear Sirs/ Madams,

Independent Market Research ("IMR") Report on the Layer Poultry Industry in Malaysia ("IMR Report")

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("**SMITH ZANDER**") for inclusion in the draft Prospectus in conjunction with the proposed listing of Hock Soon Capital Berhad on the Main Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry and market(s) in which Hock Soon Capital Berhad and its subsidiaries ("**Hock Soon Group**") operates and to offer a clear understanding of the industry and market dynamics. As Hock Soon Group is involved in poultry farming to rear layer chickens for the production of table eggs, the scope of work for this IMR Report will thus address the following areas:

(i) The layer poultry industry in Malaysia, which is the industry in which Hock Soon Group operates;

(ii) Key demand drivers, risks and challenges; and

(iii) Competitive landscape.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants and industry experts. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, amongst others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this report.

For and on behalf of SMITH ZANDER:

DENNIS TAN TZE WEN
MANAGING PARTNER

SMITH ZANDER

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The research for this IMR Report was completed on 21 March 2025.

For further information, please contact:

SMITH ZANDER INTERNATIONAL SDN BHD
15-01, Level 15, Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Malaysia
Tel: + 603 2732 7537

www.smith-zander.com

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 27 years of experience in market research and strategy consulting, including over 22 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

1 THE LAYER POULTRY INDUSTRY IN MALAYSIA

1.1 Introduction

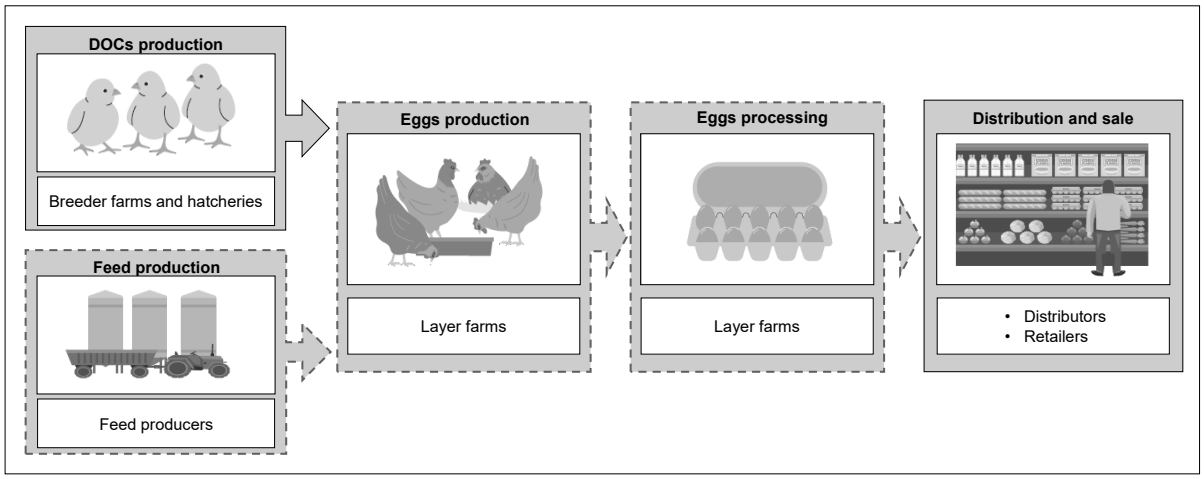
The poultry industry refers to the breeding and rearing of birds, including chickens, ducks, turkeys and geese, amongst others, for commercial meat, eggs and/or feather production. The poultry industry in Malaysia mainly consists of farming of chickens and ducks, and is primarily based on farming of chickens due to the wide acceptance of chicken meat and eggs amongst the Malaysian population. In 2023, the production of chicken meat and eggs attributed to over 90.00% of the total poultry meat and eggs production in Malaysia.[1]

The poultry industry in Malaysia is mainly categorised into the following:

- Breeder poultry farming: Rearing of grandparent and/or parent stocks chickens for the purpose of systematic breeding to produce day-old-chicks ("**DOCs**") for supply to broiler and layer farms.
- Broiler poultry farming: Rearing of broiler chickens for the commercial production of meat.
- Layer poultry farming: Rearing of layer chickens for the commercial production of eggs.

As Hock Soon Group is principally involved in layer poultry farming, whereby they rear layer chickens for the production of table eggs, this IMR Report will focus on the layer poultry farming segment of the poultry industry in Malaysia.

The value chain of the layer poultry industry, in which Hock Soon Group is involved in, is as follows:



Note:
- denotes the segments of the layer poultry industry value chain in which Hock Soon Group is involved in.

Source: SMITH ZANDER

The value chain of the layer poultry industry consists of the following stages:

i. **DOCs production and feed production** – DOCs production is carried out by breeder farms and hatcheries. Breeder farms are farms where parent stock layer chickens are bred to produce offsprings (i.e. eggs), which will then be hatched in hatcheries into layers DOCs. Feed production is generally carried out by poultry feed producers. Some breeder poultry farms and hatcheries, or layer poultry farms may have in-house feed production to produce poultry feed for their own consumption or for onward supply to other poultry farms. This vertical integration strategy is adopted by many poultry farmers for cost control and consistent supply of poultry feed.

[1] *Sources: Department of Veterinary Services ("**DVS**"), Ministry of Agriculture and Food Security ("**KPKM**")*

ii. **Egg production** – Layers DOCs are then supplied to layer poultry farms where they are reared for commercial egg production.

iii. **Egg processing** – Eggs laid by the layer chickens are collected for processing, including, amongst others, sorting, grading, packaging, and/or pasteurising to become table eggs or other egg products such as liquid egg and powdered egg.

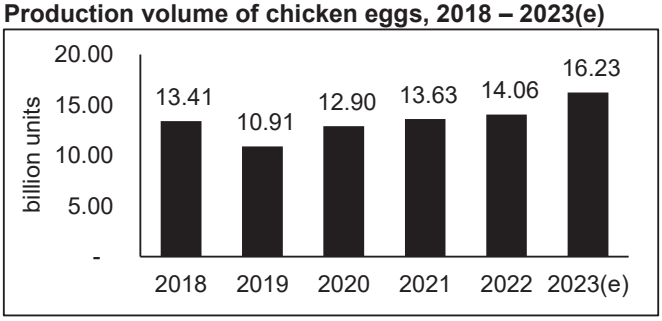
iv. **Distribution and sale** – The table eggs and egg products are then supplied by layer poultry farmers to distributors and retailers for onward sale to end consumers such as retail end-users for at-home consumption, food service operators for food preparation and food manufacturers for commercial food production.

1.2 Industry size, performance and growth

As Hock Soon Group is involved in poultry farming to rear layer chickens for production of table eggs, the production volume, production value as well as per capita consumption of chicken eggs in Malaysia are presented below.

The production volume of chicken eggs in Malaysia decreased by 18.64% from 13.41 billion units in 2018 to 10.91 billion units in 2019 due to the outbreak of avian influenza. Egg production then recovered and grew from 12.90 billion units in 2020 to an estimated 16.23 billion units in 2023, recording a compound annual growth rate ("**CAGR**") of 7.96%. Production volume of chicken eggs recorded growth amidst the COVID-19 pandemic despite negative economic impact during the period.

Production volume of chicken eggs, 2018 – 2023(e)

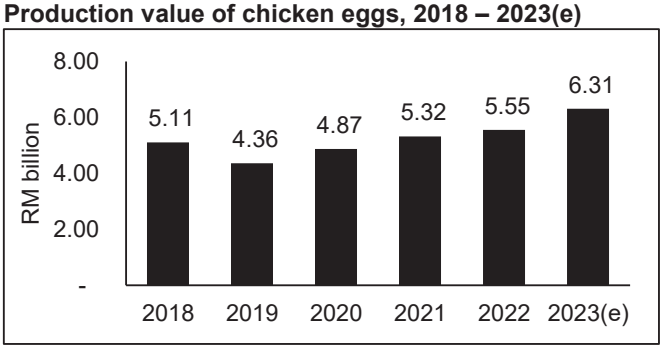


Note: (e) – estimate.

Sources: KPKM, SMITH ZANDER

The production value of the layer poultry industry in Malaysia is measured by the total ex-farm value of chicken eggs, which refers to the value of chicken eggs at the point of sale from layer poultry farms, excluding transportation and/or distribution costs. Demonstrating similar trend to production volume, the production value of chicken eggs in Malaysia registered a decline of 14.68% from RM5.11 billion in 2018 to RM4.36 billion in 2019, and subsequently grew by a CAGR of 9.02% from RM4.87 billion in 2020 to an estimated RM6.31 billion in 2023.

Production value of chicken eggs, 2018 – 2023(e)

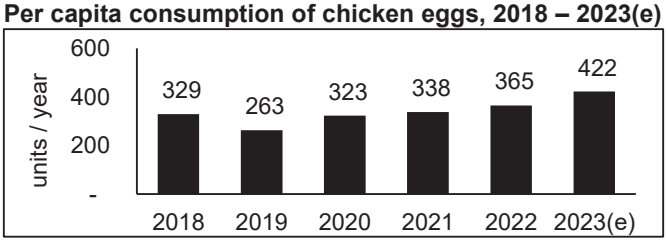


Note: (e) – estimate.

Sources: KPKM, SMITH ZANDER

Similarly, per capita consumption of chicken eggs in Malaysia declined 20.06% from approximately 329 units in 2018 to approximately 263 units in 2019, and increased at a CAGR of 9.32% from approximately 323 units in 2020 to an estimated 422 units in 2023. On average, Malaysians consumed approximately 340 eggs per person per year over the period 2018 to 2023.

Per capita consumption of chicken eggs, 2018 – 2023(e)



Note: (e) – estimate.

Sources: DVS, SMITH ZANDER

Malaysia recorded an import dependency ratio (i.e. dependence on imported supply to meet domestic consumption) of less than 0.03% for poultry eggs (which comprise chicken eggs and duck eggs) from 2018 to 2023[2], which signifies that the consumption of poultry eggs in Malaysia is supported by local poultry eggs production and is not dependent on imported poultry eggs.

2 KEY DEMAND DRIVERS, RISKS AND CHALLENGES

2.1 Key demand drivers

- **Consistent supply of eggs contributes to food security**

Food security refers to the accessibility, availability and affordability of sufficient, safe and nutritious food to meet basic dietary needs and achieve physical wellbeing. Eggs, being a relatively affordable source of various macronutrients (e.g. protein and lipid) and micronutrients (e.g. vitamins and minerals), as well as a versatile food ingredient, are widely used in food preparation as well as food processing and manufacturing. Hence, a stable supply is essential in meeting the consistent demand for eggs, in order to maintain and/or strengthen food security in Malaysia.

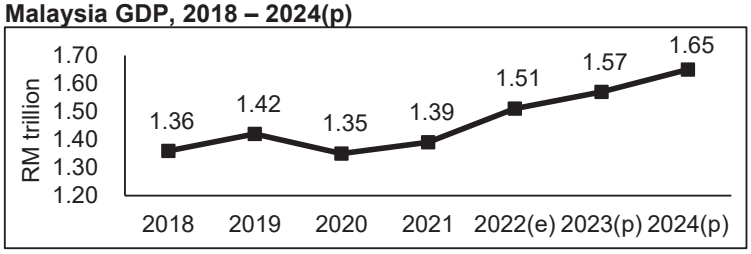
Further, a healthy population plays a crucial role in the economic development of a country. A secure supply of staple food, including eggs, ensures accessibility to sufficient nutrition, fostering a healthier population. This could in turn improve labour force participation and enhance the national productivity in the long run, leading to growth in national economic performance and standard of living of the population.

As food security remains one of the top priorities of the society and the government, it serves as one of the major catalysts for the growth of the layer poultry industry, as it is expected to continue driving the demand for eggs.

- **Growing population and economic affluence signify increased demand for food, including eggs**

Malaysia, supported by its continued economic growth and development, is en route to becoming a more resilient and sustainable nation. The gross domestic product ("**GDP**") in Malaysia increased at a CAGR of 3.27% from RM1.36 trillion in 2018 to RM1.65 trillion in 2024.[3]

Malaysia GDP, 2018 – 2024(p)



Source: DOSM

Further, the population in Malaysia grew from 32.38 million in 2018 to 34.06 million in 2024 at a CAGR of 0.85%.[3] A growing population signifies a growing demand for food, especially staple food, including eggs. Improving economic condition of the country, as represented by the GDP, paired with the growing population, are expected to continue to drive the demand for eggs.

The increasing living standards in Malaysia, which is represented by the growth in per capita income, increased from RM41,232.24 in 2018 to an estimated RM47,454.49 in 2024.[3] This indicates the growing spending power of the Malaysian population, which is expected to drive the continuous demand for necessity goods (e.g. food products, clothing and housing). This can be evidenced by the growth in per capita consumption of chicken eggs over the same period from approximately 329 units per year in 2018 to approximately 422 units per year

[2] *Sources: KPKM, SMITH ZANDER*
[3] *Source: DOSM*

in 2023.[4] The growth in spending power is also expected to boost the demand for food and beverages ("**F&B**") services as well as processed F&B products, thus increasing the demand for eggs for commercial food preparation, processing and manufacturing.

According to the Ministry of Finance, the national GDP is forecast to grow at approximately 4.80% to 5.30% in 2024, and 4.50% to 5.50% in 2025, driven by resilient domestic demand, exports, consumer spending and labour market conditions.[5]

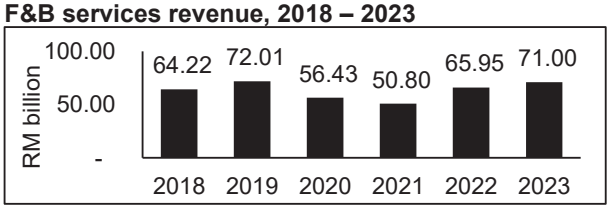
- **Growth in end user industries (i.e. F&B services industry as well as food manufacturing industry) drive the demand for eggs**

Apart from being a staple for at-home food preparation, eggs are also widely used by food service operators and food manufacturers for commercial food preparation, processing and manufacturing. The versatility of eggs has led to their use in the preparation of a wide variety of dishes across different cuisines, as well as in the processing and manufacturing of various food products, such as baked goods, noodles and snack products. Eggs serve multiple purposes in food preparation, processing and manufacturing, these include flavour and appearance enhancing, binding, thickening, moisture retaining and stabilising.

Therefore, the growth in the F&B services industry as well as food manufacturing industry are expected to drive the demand for eggs.

In 2020 and 2021, F&B services in Malaysia was adversely impacted due to the outbreak of the COVID-19 pandemic, which resulted in the decline of F&B services revenue. The F&B services industry then recovered and grew from RM50.80 billion in 2021 to RM71.00 billion in 2023, registering a CAGR of 18.22% over the period.

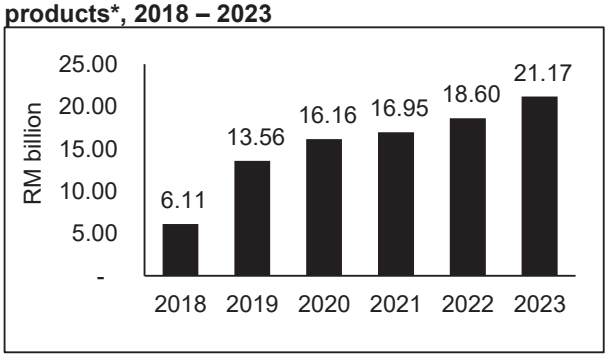
F&B services revenue, 2018 – 2023



Source: DOSM

The manufacturing sales value of biscuits and cookies, snack products, bread, cakes and other bakery products is used as an indicator to illustrate the growing demand for eggs in the food manufacturing industry, as eggs are commonly used as ingredients in the manufacturing of these food products. The manufacturing sales value of the aforementioned food products grew at a CAGR of 28.21% from RM6.11 billion in 2018 to RM21.17 billion in 2023.

Manufacturing sales value of selected food products*, 2018 – 2023



Note: * – Includes manufacturing sales value of biscuits and cookies, snack products, bread, cakes and other bakery products.

Source: DOSM

Moving forward, the F&B services and F&B processing and manufacturing industries are expected to continue to be supported by overall economic expansion in Malaysia, in turn driving the demand for eggs.

[4] *Sources: DVS, SMITH ZANDER*
[5] *Source: Economic Outlook 2025*

2.2 Key industry risks and challenges

- **Exposure to price fluctuations of chicken eggs and unfavourable changes in government initiatives**

Retail prices of eggs in Malaysia are controlled by the Government to manage the cost of living of Malaysians as a measure to combat food security issues in the country. Effective 17 June 2024, the retail ceiling prices of Grade A, B and C eggs across the country were reduced by 3 sen per egg, whereby retail ceiling prices of Grade A, B and C eggs were reduced to 42 sen, 40 sen and 38 sen respectively in Peninsular Malaysia.[6] Retail ceiling prices of eggs are adjusted by the Government periodically, depending on the overall economic performance of the country, national inflation, and the cost of living to ensure the affordability of eggs. This is because eggs form part of many Malaysians' diets due to their nutritional values and versatile culinary uses. Average retail price of chicken eggs from 2018 to 2023 in Malaysia are as follows:

Average retail price of chicken eggs in Malaysia, 2018 – 2023						
	2018	2019	2020	2021	2022	2023
Grade A (sen/egg)	39	41	39	41	45	48
Grade B (sen/egg)	37	40	37	39	43	45
Grade C (sen/egg)	36	38	35	36	41	43

Source: DVS

In order to ensure consistent supply of eggs, in 2022 the Government introduced the provision of subsidies for every ordinary eggs sold by layer poultry farmers ("**Egg Subsidies**"). On 30 April 2025, the KPKM announced the reduction of Egg Subsidies from 10 sen per egg to 5 sen per egg, as well as the removal of retail ceiling prices for Grade A, B and C eggs, which took effect on 1 May 2025. Further, the KPKM has also announced that the Egg Subsidies will be fully removed effective 1 August 2025. Consequently, the retail prices of Grade A, B and C eggs are expected to fluctuate according to market supply and demand conditions. As such, should industry players fail to adjust their prices to remain competitive, the cessation of such subsidies will adversely affect the profitability of layer poultry farmers, in turn hindering the growth of their business.

- **Subject to price fluctuations of ingredients used in poultry feed**

Poultry feed is typically made of ingredients such as maize, wheat, oats, oilseed meals and legumes to provide the energy and nutrition required by layer chickens to ensure they are in good health to produce high quality eggs. A balanced and nutritious poultry feed is essential to achieve optimal egg production. As such, industry players are exposed to price fluctuations of poultry feed ingredients, for instance maize, which is one of the key commodities. Prices of maize are subject to fluctuations due to global supply and demand conditions, geopolitical tensions, as well as crop yields. As Hock Soon Group uses maize as the key ingredient in the production of poultry feed, maize prices are used to demonstrate price fluctuations of ingredients used in poultry feed.

In 2018 and 2019, maize prices (i.e. 6-month average price) ranged between USD160.34 (RM647.02)[7] per metric tonne ("**MT**") to USD171.69 (RM711.26)[6] per MT. Pursuant to the outbreak of the COVID-19 pandemic, business operations and supply chain disruptions adversely impacted the maize commodity market, leading to price hikes from USD173.98 (RM730.99)[6] per MT in the second half of 2020 to USD265.16 (RM1,099.19)[6] per MT in the first half of 2021, before easing in the second half of the year. Maize prices continued to increase

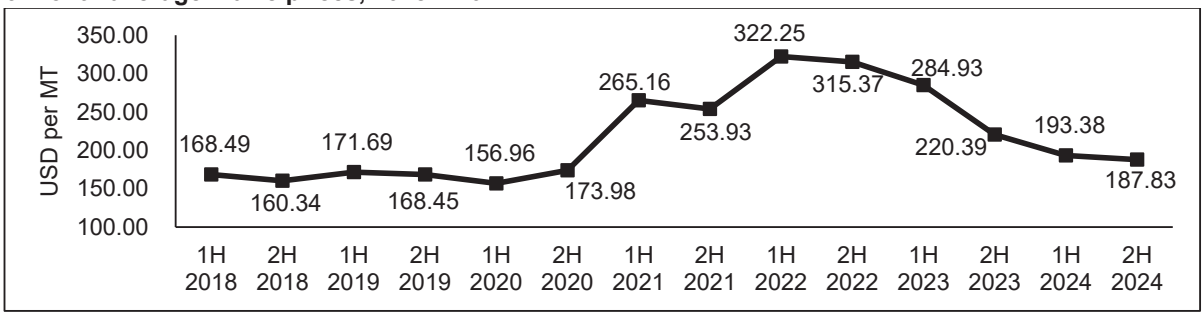
[6] *Source: Grade A, B and C egg prices drop by three sen each starting today: PM Anwar, Bernama, 17 June 2024*

[7] *Exchange rate from USD to RM was converted based on average annual exchange rates of the respective years, extracted from published information from Bank Negara Malaysia.*

Year	*2018*	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
USD1 = RM	*4.0353*	*4.1427*	*4.2016*	*4.1454*	*4.4005*	*4.5653*	*4.5718*

and peaked in the first half of 2022 at USD322.25 (RM1,418.06)[6] per MT, and remained elevated up to the end of 2022. This was mainly due to the geopolitical tensions between Ukraine (i.e. one of the top 10 maize producers in the world[8]) and Russia (i.e. one of the world's largest fertiliser producers[7]). Subsequently, maize prices began to decrease from USD284.93 (RM1,300.79)[6] per MT in first half of 2023 to USD187.83 (RM858.72)[6] per MT in the second half of 2024 as market conditions normalised.

6-month average maize prices, 2018 – 2024



Sources: World Bank, SMITH ZANDER

Any unfavourable price fluctuations in poultry feed ingredients (e.g. maize) will lead to increase in costs for industry players, thus negatively affecting their financial performances and profitability, as industry players may not be able to pass on the increase in costs to their customers due to the price control on eggs.

- **Exposure to infectious animal diseases**

Livestock, including poultry, are prone to diseases caused by harmful viruses, bacteria, parasites and fungi. Examples of diseases amongst poultry include Avian Influenza, Newcastle disease and salmonellosis, which can be spread amongst poultry through various means, such as direct contact, aerosols, fomites, feed and water, as well as vertical transmission. These diseases can cause severe harmful impact to the health of chickens, with some being potentially fatal. Consequently, outbreaks of diseases amongst poultry can adversely impact the business operations of layer poultry farmers due to unhealthy or reduced chicken population, hindering the production of eggs.

In the event of outbreaks of infectious diseases amongst poultry, layer poultry farmers may be required to provide veterinary treatments to infected chickens, or even dispose and replace them with healthy chickens. This leads to increase in costs, thus affecting the financial performance of layer poultry farmers.

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[8] *Source: Foreign Agricultural Service, U.S. Department of Agriculture*

3 COMPETITIVE LANDSCAPE

3.1 Overview

Layer poultry industry players generally compete in terms of production capacity. As such, layer poultry farmers with larger production capacities benefit from greater economies of scale. Further, layer poultry farmers who have strong industry knowledge and expertise on farm management such as biosecurity, feed and water management and waste management are more competitive as these aspects are crucial for optimising farm efficiency and maximising egg production.

The layer poultry industry is competitive, with players ranging from fully integrated poultry producers (i.e. industry players who are involved in the entire poultry farming supply chain, including parent stock breeding, DOC production, feed production, broiler production and egg production) and specialised layer poultry farmers (i.e. industry players who are primarily involved in certain segments of the layer poultry farming supply chain, such as DOC production, feed production or egg production), to local small-scale layer poultry farmers (i.e. industry players who generally serve traditional retail markets such as wet markets and sundry shops). Further, the layer poultry industry has high barriers to entry due to its capital-intensive nature as establishing such operations requires large investments in land, facility (e.g. coops, feed storage, processing facility, automated feeding, egg collection or waste management systems) and layer stocks. As at June 2025, there are 69 Malaysian Good Agricultural Practices ("**myGAP**")-certified layer poultry farms. The myGAP certification is awarded to farms that have fulfilled the requirements of the DVS according to the Good Animal Husbandry Practices, and is commonly held by industry players as a recognition of the quality standards of their farms.

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3.2 Key industry players

As Hock Soon Group is principally involved in the layer poultry industry, the basis for selection of the key industry players in the layer poultry industry in Malaysia is as follows:

- Companies involved in layer poultry farming (i.e. rearing of layer chickens for the production of eggs); and
- Companies which recorded more than RM40.00 million revenue based on their respective latest available financial years.

Company	Brand	Latest available financial year	Revenue[1] (RM million)	Segmental revenue (RM million)	Gross profit margin[2] (%)	Profit after tax margin (%)	Price-to-earnings ratio (times)
QL Resources Berhad[3]	QL	31 March 2024	6,652.10	3,510.74	22.97	7.12	36.57
Huat Lai Resources Berhad[4]	N/A	31 December 2023	3,799.78	3,689.29	10.89	9.54	N/A
Charoen Pokphand Holdings (Malaysia) Sdn Bhd[5]	N/A	31 December 2023	1,663.76	N/A	9.40	3.53	N/A
Lay Hong Berhad[6]	NutriPlus	31 March 2024	1,042.79	294.80	25.24	8.64	2.47
Teo Seng Capital Berhad[7]	Happy Egg	31 December 2023	760.98	660.01	N/A	20.47	3.36
PWF Corporation Berhad[8]	N/A	31 December 2023	556.54	554.01	13.79	9.05	8.63
TPC Plus Berhad[9]	N/A	31 December 2023	452.63	452.00	2.04	9.59	4.89
LTKM Berhad[10]	LTK Omega Plus	31 March 2024	257.69	248.34	17.22	22.73	3.22
FFM Farms Sdn Bhd[11]	Seri Murni	31 December 2023	187.75	186.85	20.33	16.43	N/A
Hock Soon Capital Berhad[12]	QPlus	30 September 2024	151.38	143.80	38.86	26.91	[●][13]
Henritex (M) Sdn Bhd	Eggspert	30 June 2024	124.53	N/A	N/A	13.30	N/A
Ladang Ternakan Prudence Sdn Bhd	LTP	31 October 2023	44.76	44.20	25.69	18.63	N/A
Liang Kee Farming Sdn Bhd	LK Fresh	31 December 2023	40.74	37.59	29.90	27.54	N/A

Notes:
- Latest available as at the date of research completion.
- N/A – Not available / not applicable.

- The identified industry players include all industry players that were identified by SMITH ZANDER based on sources available, such as the internet, published documents and industry directories. However, there may be companies that do not have online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players identified is exhaustive.

(1) Revenue of industry players may include revenue derived from other business activities (i.e. business activities other than the rearing of layer chickens for production of eggs) and/or revenue derived from countries outside Malaysia.

(2) The gross profit margins of the identified industry players range from 2.04% to 38.86%. This is due to the involvement of industry players in business activities other than egg production as well as varying accounting treatments for Egg Subsidies received from the Government, which can lead to varying gross profit margins.

(3) QL Resources Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. QL Resources Berhad and its group of companies are principally involved in integrated livestock farming, marine products manufacturing, operation of convenience store chain, oil palm plantation as well as provision of clean energy solutions. The segmental revenue disclosed above refers to revenue generated from its integrated livestock farming segment in its latest financial year.

(4) Huat Lai Resources Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad, and was subsequently delisted in 2017 through a take-over exercise. Huat Lai Resources Berhad and its group of companies are principally involved in integrated livestock farming, fertiliser production, egg trays production and oil palm plantation. The segmental revenue disclosed above refers to revenue generated from its sale of integrated livestock farming products segment in its latest financial year.

(5) The ultimate holding company of Charoen Pokphand Holdings (Malaysia) Sdn Bhd is Charoen Pokphand Foods Public Co. Ltd., which is listed on The Stock Exchange of Thailand.

(6) Lay Hong Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. Lay Hong Berhad and its group of companies are principally involved in integrated livestock farming, food manufacturing as well as the operation of retail stores. The segmental revenue disclosed above refers to revenue generated from its layer operation segment in its latest financial year.

(7) Teo Seng Capital Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. Teo Seng Capital Berhad and its group of companies are principally involved in poultry farming, marketing of chicken eggs, manufacturing and marketing of animal feeds, egg trays and organic fermented fertiliser, as well as distribution of pet food and animal health products. The segmental revenue disclosed above refers to revenue generated from its poultry farming segment in its latest financial year. The holding company of Teo Seng Capital Berhad is Leong Hup International Berhad, which is also listed on the Main Market of Bursa Malaysia Securities Berhad.

(8) PWF Corporation Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. PWF Corporation Berhad and its group of companies are principally involved in integrated poultry farming. Segmental revenue disclosed above refers to revenue generated from its sale of livestock and other poultry related products segment in its latest financial year.

(9) TPC Plus Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. TPC Plus Berhad and its group of companies are principally involved in poultry farming, manufacturing and distribution of poultry feed as well as oil palm plantation. Segmental revenue disclosed above refers to revenue generated from its sale of poultry farming products segment in its latest financial year. TPC Plus Berhad is majority-owned by Huat Lai Resources Berhad.

(10) LTKM Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad. LTKM Berhad and its group of companies are principally involved in poultry farming, trading of livestock feeds and other materials, manufacturing and sale of organic fertilisers, as well as extraction and sale of sand. Segmental revenue disclosed above refers to revenue generated from its sale of produce inventories, feeds and livestock segment in its latest financial year.

(11) FFM Farms Sdn Bhd is a wholly owned subsidiary of FFM Berhad, which was listed on the Main Board of Bursa Malaysia, and was subsequently delisted in 2004 through a privatisation exercise. Segmental revenue disclosed above refers to revenue generated from its sale of livestock and related products segment in its latest financial year.

(12) Segmental revenue disclosed above refers to revenue generated from the sale of table eggs in its latest financial year.

(13) Calculated based on Hock Soon Group's profit after tax attributable to owners of RM40.74 million for the financial year ended 2024 and market capitalisation of RM[●] million upon its listing on the Main Market of Bursa Malaysia Securities Berhad.

Sources: Hock Soon Group, various company websites, Companies Commission of Malaysia, Bloomberg, SMITH ZANDER

3.3 Market share

In 2023, Hock Soon Group captured a market share of 2.33% in terms of production volume, computed based on its production volume of 378.87 million units of chicken eggs in 2023 against the production volume of 16.23 billion units of chicken eggs in 2023 in Malaysia. Details of market shares captured by Hock Soon Group and selected industry players in 2023 are as follows:

Market share of selected industry players in terms of production volume, 2023		
Company	**Annual production volume (million units)**	**Market share (%)[1]**
Teo Seng Capital Berhad	1,460.00[2]	9.00
Lay Hong Berhad	1,171.65[3]	7.22
Hock Soon Capital Berhad	378.87	2.33
PWF Corporation Berhad	365.00[4]	2.25
TPC Plus Berhad	452.00	2.78

Notes:
- Latest available as at the date of research completion, based on publicly available information.

(1) Calculated based on industry players' annual production volume against the estimated production volume of 16.23 billion units of chicken eggs in Malaysia in 2023.
(2) Estimated based on production volume of approximately 4.00 million unit of eggs per day for 365 days, as disclosed in Teo Seng Capital Berhad's 2023 Annual Report.
(3) Estimated based on production volume of approximately 3.21 million unit of eggs per day for 365 days, as disclosed in Lay Hong Berhad's 2023 Annual Report.
(4) Estimated based on production volume of approximately 1.00 million unit of eggs per day for 365 days, as disclosed in PWF Corporation Berhad's 2023 Annual Report.

Sources: Hock Soon Group, various company websites, SMITH ZANDER

In terms of production value, Hock Soon Group captured a market share of 2.21% in 2023, computed based on its revenue of approximately RM139.23 million generated from the sale of table eggs in financial year ended 2023 against the estimated production value of approximately RM6.31 billion in 2023 in Malaysia. Details of market shares captured by Hock Soon Group and selected industry players in 2023 are as follows:

Market share of selected industry players in terms of production value, 2023		
Company	**Revenue (RM mil)**	**Market share (%)[1]**
Lay Hong Berhad	294.80	4.67
Hock Soon Capital Berhad	139.23	2.21
Ladang Ternakan Prudence Sdn Bhd	44.20	0.70
Liang Kee Farming Sdn Bhd	37.59	0.60

Notes:
- Latest available as at the date of research completion, based on publicly available information.

(1) Calculated based on industry players' revenue generated from the sale of chicken eggs against the estimated production value of chicken eggs of RM6.31 billion in Malaysia in 2023.

Sources: Hock Soon Group, various company websites, SMITH ZANDER

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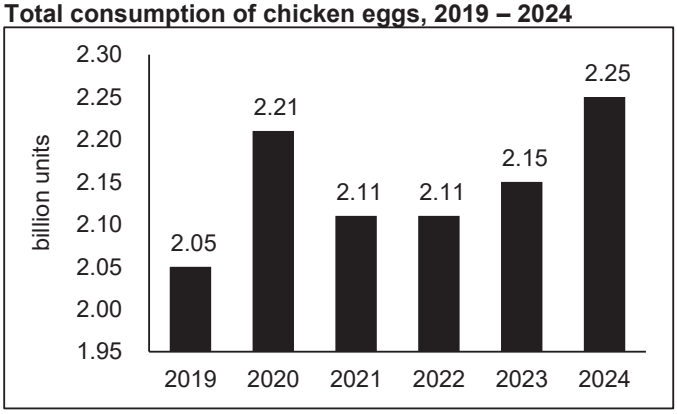
4 THE LAYER POULTRY INDUSTRY IN SINGAPORE

Similar to Malaysia, chicken eggs are widely accepted and consumed by the Singapore population due to the similarities in both nations' food culture. This is evidenced by the growing demand for chicken eggs in Singapore, as represented by the increasing total consumption of chicken eggs in the country. From 2019 to 2024, total consumption of chicken eggs increased from 2.05 billion units to 2.25 billion units, registering a CAGR of 1.88%. On average, Singaporeans consumed approximately 374 eggs per person per year over the period 2019 to 2024.

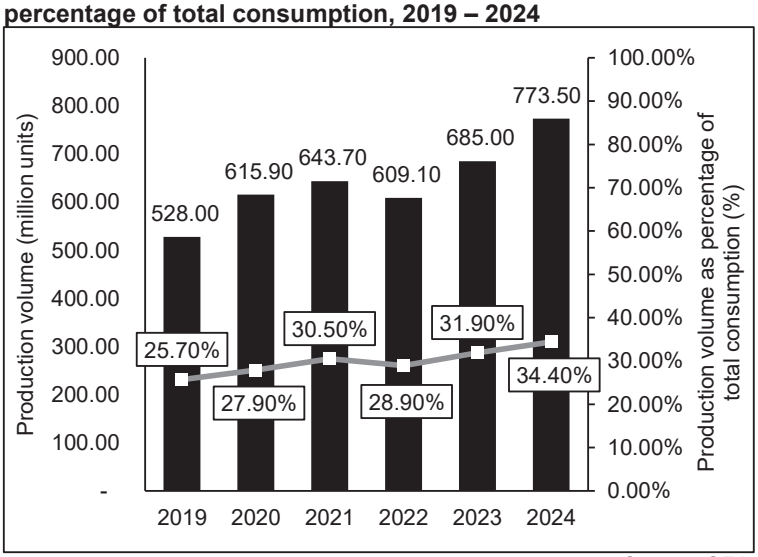
Total consumption of chicken eggs, 2019 – 2024



*Sources: Singapore Food Agency ("**SFA**"), SMITH ZANDER*

The layer poultry industry in Singapore recorded an upward trend overall in terms of production volume of chicken eggs, registering a CAGR of 7.94% from 528.00 million units in 2019 to 773.50 million units in 2024, despite a year-on-year ("**YOY**") decrease of 5.38% in 2022 due to a Newcastle disease outbreak at a local farm. Despite the overall growth in the local layer production, local production of chicken eggs only met approximately 25.70% to 34.40% of total consumption during the same period. As such, Singapore relies on imports for the majority of its supply of chicken eggs to meet local demand. Its major sources include Malaysia, Thailand and Poland, amongst others.[9]

Production volume of chicken eggs, production volume as percentage of total consumption, 2019 – 2024



Source: SFA

Egg prices in Singapore fluctuate according to supply and demand conditions in the market. Average retail price of chicken eggs from 2019 to 2024 in Singapore are as follows:

Average retail price of chicken eggs in Singapore, 2019 – 2024

	2019	2020	2021	2022	2023	2024
SGD per 10 units	2.32	2.34	2.42	2.96	3.34	3.31
RM per 10 units[10]	7.05	7.13	7.46	9.45	11.35	11.32

Source: Singapore Department of Statistics

[9] *Source: SFA*

[10] *Exchange rate from SGD to RM was converted based on average annual exchange rates of the respective years, extracted from published information from Bank Negara Malaysia.*

Year	*2019*	*2020*	*2021*	*2022*	*2023*	*2024*
SGD1 = RM	*3.0372*	*3.0463*	*3.0838*	*3.1912*	*3.3981*	*3.4212*

Moving forward, the demand for chicken eggs in Singapore is expected to continue to be driven by the following factors:

- **Consistent supply of eggs contributes to food security**

Singapore imports more than 90% of its food supply, this includes poultry products (e.g. chicken eggs and meat), vegetables and seafood.[11] As such, the country places strong emphasis in strengthening its network of food sources in order to ensure food security. The continuous effort in maintaining food security is expected to continue driving the demand for production as well as import of chicken eggs in Singapore to meet local consumption of the nation.

- **Growing population and economic affluence**

The Singaporean population grew at a CAGR of 1.17% from 5.70 million people in 2019 to 6.04 million people in 2024[12], signifying growing demand for food, including chicken eggs which are a staple in many Singaporeans' diets. Further, disposable income in Singapore recorded a CAGR of 6.42% from SGD255.02 billion (RM774.55 billion[13]) in 2019 to SGD348.10 billion (RM1.19 trillion[13]) in 2024.[12] This signifies improving living standards in the country, which is expected to drive the continuous demand for F&B products.

- **Growth in F&B services industry**

The F&B services industry in Singapore slowed down in 2020 and 2021 due to lockdowns amidst the COVID-19 pandemic, with total operating revenue recorded at SGD8.18 billion (RM24.92 billion[13]) in 2020 and SGD8.51 billion (RM26.24 billion[13]) in 2021. Subsequently in 2022, the F&B services industry recovered and recorded total operating revenue of SGD10.12 billion (RM32.29 billion[13]), exceeding pre-pandemic level of SGD10.05 billion (RM30.52 billion[13]) in 2019. In 2023, the F&B service industry in Singapore grew 7.31% YOY to SGD10.86 billion (RM36.90 billion[13]). Moving forward, the demand for chicken eggs in Singapore is expected to continue to be driven by the growing demand for F&B services, as supported by overall economic expansion in the country.

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[11] Source: SFA
[12] Source: Singapore Department of Statistics
[13] Exchange rate from SGD to RM was converted based on average annual exchange rates of the respective years, extracted from published information from Bank Negara Malaysia.

Year	2019	2020	2021	2022	2023	2024
SGD1 = RM	3.0372	3.0463	3.0838	3.1912	3.3981	3.4212

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

9.1.1 We are exposed to outbreaks of poultry livestock infections and diseases, which could adversely affect our business operations and financial performance

Outbreaks of poultry livestock infections and diseases at our Bidor Integrated Farm could adversely affect our business operations and financial performance. Examples of contagious poultry livestock infections and diseases are Avian Influenza, Newcastle disease and infectious bronchitis, which could cause sickness or death of poultry. If our layer chickens are infected with any of these diseases which lead to sickness, death or inability to lay eggs, our overall egg production may be affected, and we may not be able to meet our customers' orders timely. Further, if such infections are severe and may cause harmful effect to human health, our Bidor Integrated Farm may be subject to quarantine and disinfections, and all our chickens may be forced to be depopulated. Further, we are required to suspend our operations for 42 days after the depopulation of chickens and disinfection of our Bidor Integrated Farm, before we are allowed to recommence our poultry rearing operations. Such business suspension may adversely and materially affect our business operations and financial performance.

In November 2018, our layer chickens in some of our chicken coops were infected with H9N2 strain of Avian Influenza, which rendered our layer chickens unable to lay eggs. As a result, our Group was operationally and financially impacted as we were unable to fulfil our customers' orders due to a decrease in egg production of up to approximately 78.9% from our usual egg production of approximately 1,090,000 eggs per day prior to the infection to approximately 230,000 eggs per day in the first week of December 2018. To curb the spread of the Avian Influenza, our Group depopulated the infected layer chickens and was required to re-commence the entire rearing process starting from the rearing of day-old-chicks after disinfecting the infected chicken coops. Since then, our egg production began to recover and eventually resume to pre-infection egg production rate by November 2019. Such infection in November 2018 also resulted in a decrease in Hock Soon Poultry Farm's revenue by 25.1% in FYE 2019.

Moving forward, any future outbreak of poultry livestock infections and diseases could result in sickness and death of our layer chickens, the imposition of a quarantine and disinfections, and/or depopulation of infected chickens. In the event that any of these events occurs, it would not only adversely impact our business operations but may also create adverse publicity which would lead to negative perception by consumers regarding our table eggs. This may in turn, adversely affect the demand for our table eggs and consequently adversely affect our Group's financial performance.

9.1.2 We may not be able to sustain our financial performance and profitability following the removal of price controls and subsidies of ordinary eggs by the Government

As announced by the Ministry of Agriculture and Food Security on 30 April 2025, the egg subsidy for each grade A, grade B and grade C ordinary eggs were reduced from RM0.10 to RM0.05 and the price control was removed effective 1 May 2025. Subsequently, effective 1 August 2025, the Government fully removed the egg subsidy. Following which, our financial performance may be affected in view of the absence of egg subsidies and the fluctuation in egg prices if we are unable to raise egg prices to cover our operating cost.

For FYE 2022 to 2024, we recorded PAT of RM14.5 million, RM34.2 million and RM40.7 million respectively. However, a substantial portion of the PAT was attributed to egg subsidies received from the Government. Assuming that the egg subsidies for FYE 2022 to 2024 are removed but price control retained, our PAT would be adjusted to RM9.0 million, RM18.3 million and RM16.4 million respectively. Please refer to Section 12.1.1 for a detailed analysis of our financial performance in view of the removal of egg subsidies with price control retained. Following the removal of egg subsidies by the Government effective 1 August 2025, we may not be able to record PAT at similar or higher levels considering the simulation of our historical financial performance in the event of removal of egg subsidies as detailed in Section 12.1.1.

In addition, as the price control was also removed beginning 1 May 2025, we are exposed to the risk of fluctuations in egg prices, which generally follow market rates based on supply and demand conditions. While the removal of price control gives us the flexibility to price our eggs by taking into consideration our costs, we are simultaneously exposed to higher competitive pressure in the market. In the event of market oversupply during certain period which results in a decline in market prices of eggs, we would need to price our eggs accordingly in order to maintain our competitive edge. We may experience a lower GP margin in such circumstances; or in a worse scenario where the decline in market prices is substantial that it exceeds our cost of sales, we may suffer from losses, and it may eventually negatively impact our financial performance.

9.1.3 We may be subjected to price fluctuations and unavailability or shortages of raw materials and ingredients

The purchase of raw materials and ingredients for the production of our in-house poultry feed represented 85.9%, 84.4% and 82.3% of our Group's total purchases for FYE 2022 to 2024 respectively. Any fluctuations in the prices of these raw materials and ingredients may affect our gross profit margin and consequently our profitability.

In 2019, maize prices (i.e. quarterly average price) ranged between USD166.81 per MT to USD175.88 per MT. Pursuant to the outbreak of the COVID-19 pandemic, business operations and supply chain disruptions adversely impacted the maize commodity market, leading to continuous price hikes from USD191.97 per MT in the fourth quarter of 2020 to USD288.70 per MT in the second quarter of 2021, before easing in the second half of 2021. Maize prices continued to increase and peaked in second quarter of 2022 at USD342.91 per MT and remained elevated up to the end of 2022. This was mainly due to the geopolitical tensions between Ukraine (i.e. one of the world's largest maize producers) and Russia (i.e. one of the world's largest fertilisers producers). Subsequently, maize prices began to decrease from USD294.48 per MT in first quarter of 2023 to a pre-pandemic level of USD177.57 per MT in the third quarter of 2024 as market conditions normalised.

Any material fluctuations in the prices of these raw materials and ingredients particularly commodity products used in the production of our in-house poultry feed (e.g. maize, soybean meal, wheat, pollard and sunflower meal) may affect our profitability if we are unable to adjust the price of our table eggs to reflect the increase in costs. Following the removal of price controls effective 1 May 2025 and if we opt to increase the price of our table eggs due to increase in costs, we may lose our competitive edge to other industry players if other industry players do not increase their product pricing despite being equally affected by the price fluctuations of raw materials and ingredients. Please refer to Section 12.11 for effects of price fluctuations of raw materials and ingredients on our financial performance for FYE 2022 to 2024.

In addition, we are required to obtain sufficient quantities of raw materials and ingredients in a timely manner and at acceptable prices to conduct our business operations and fulfil customer's orders. Save for the global supply chain disruption during the COVID-19 pandemic and Ukraine-Russia war which resulted in minor disruptions in the sourcing of raw materials and ingredients, we have not encountered any unavailability or shortages or raw materials and ingredients for FYE 2022 to 2024 and up to LPD. However, there is no assurance that such incidences will not occur in the future. Any sudden unavailability or shortages of raw materials and ingredients may affect our business operations as there is no assurance that we will be able to obtain raw materials and ingredients from new suppliers in a timely manner or at reasonably acceptable prices.

9.1.4 Our business is exposed to operational risks which may be beyond our control and may lead to interruptions to our operations

Our business is exposed to various operational risks including fire, natural disasters, equipment failures and power outage, which may be beyond our control and may lead to unexpected interruptions to our operations.

As at LPD, our poultry farming operations are based at our Bidor Integrated Farm, which is where all our chicken coops, grading and sorting station and feed mill are located at. Hence, the occurrence of fires and/or natural disasters such as floods or storms at our Bidor Integrated Farm may significantly hinder our business operations. This may lead to delays in fulfilling customer orders as well as incur additional costs to repair and restore our Bidor Integrated Farm.

We also rely on a range of automation systems (i.e. automated feed hoppers and drinking systems, egg collection belts, automated conveyor belts and manure collection belts) as well as monitoring and control systems (i.e. temperature sensors, pad cooling systems, computer-controlled fans and air inlet valves) installed in our closed-house chicken coops systems for rearing of layer chickens. Further, we utilise egg grading and sorting lines in our egg grading and sorting process, as well as computerised poultry feed production lines in our feed mill operations. Please refer to Section 7.6 for further details on the technology used by our Group. These systems and machines may, on occasion, be out of service due to unanticipated failures or damages sustained during operations. If the abovementioned unexpected interruptions persist for a prolonged period of time, our business operations as well as our financial performance may be adversely impacted. Further, these systems and machines are powered by electricity. In the event of power outage, these systems and machines may not be able to function, which may materially affect our business. In particular, all our chicken coops adopt closed-house systems which rely on our automation systems as well as monitoring and control systems to ensure optimal chicken health and egg production. Prolonged power outage, coupled with insufficient power back-up from our generation sets, will result in unhealthy chickens or even mortality, consequently adversely affecting our business operations.

For FYE 2022 to 2024 and up to LPD, we have not experienced any major interruptions to our business operations caused by fires, natural disasters, unexpected equipment failures and power outage that have adversely affected our business operations and/or financial performance. Notwithstanding that, there is no assurance that we will not encounter such events and our business operations and/or financial performance will not be adversely affected should such events occur in the future.

9.1.5 We are exposed to the risks of product contamination, which may result in product liability claims and regulatory actions

As an egg producer, our tables eggs are subject to various hygiene and food safety standards, such as the Food Act 1983, Food Regulation 1985 and Food Hygiene Regulation 2009 in Malaysia. Further, as we export our table eggs to Hong Kong and intend to export our table eggs to Singapore, our table eggs are also subject to hygiene and food safety standards in Hong Kong and Singapore. However, our table eggs are exposed to potential contamination such as salmonella, which is transmitted through the exposure of salmonella bacteria that is found in the gut and faeces of layer chickens. Salmonella bacteria is able to penetrate table eggs through the porous shells of the table eggs or if cracks are present on shells of the table eggs. Contamination issues may also occur due to cracks to the shells of our table eggs arising during the storage, handling and transportation stages. Despite the implementation of our QA and QC procedures and biosecurity measures to ensure that our table eggs are free from contamination, we may not always be able to detect any such contamination. Please refer to Section 7.5 for full details of our QA and QC procedures and biosecurity measures.

Any contamination in our table eggs could render them unsafe for consumption, which will have an adverse impact on our reputation and may also expose us to financial losses arising from product liability claims from consumers. This may also prompt inspections or regulatory actions by authorities, potentially resulting in monetary fines and/or the temporary closure of our operations for cleaning and sanitation, which could materially and adversely affect our business operations and/or financial performance. For FYE 2022 to 2024 and up to LPD, we have not experienced any incidents of product contamination that has adversely affected our business operations and/or financial performance.

Notwithstanding that we have not received any claims from customers in regard to product contamination for FYE 2022 to 2024 and up to LPD, product contamination claims involving eggs produced by other poultry farmers in Malaysia may create negative perceptions towards Malaysian-produced eggs as a whole. In March 2021, the Singapore Food Agency announced a recall of a batch of eggs imported from Malaysia after detecting the presence of salmonella bacteria. Subsequently, a hypermarket chain in Malaysia also announced a recall of the same batch of eggs. In October 2022, another recall was announced by the Singapore Food Agency for a batch of imported eggs from Malaysia following the detection of salmonella bacteria. Such negative news could lead to adverse perceptions of Malaysian-produced eggs, which may in turn reduce the demand for eggs produced in Malaysia. This may consequently affect our export sales, including plans to export eggs to Singapore.

9.1.6 We are dependent on our key management team for continued success and growth of our business

The continued success and growth of our Group are, to a significant extent, dependent on the abilities, skills, experience, competency and continuous efforts of our Executive Directors and key senior management. The presence of our Executive Directors and key senior management is crucial to our business continuity and future growth as they play a pivotal role in our day-to-day operations as well as charting, formulating and implementing strategies to drive the growth of our Group.

Any significant or sudden loss of the services of our Executive Directors and/or key senior management without suitable replacement in a timely manner, or our inability to attract and retain qualified and competent personnel, may have an adverse impact on our Group's business operations and may eventually affect our ability to maintain and/or improve our business performance. This may in turn adversely affect the financial performance and future growth of our Group.

9.1.7 We are dependent on three of our major suppliers

We are exposed to the risk of supplier concentration as we incur significant purchases from Hoe Seng Chan Company Sdn Bhd and Cargill (Malaysia) Sdn Bhd. For FYE 2022 to 2024, Hoe Seng Chan Company Sdn Bhd and Cargill (Malaysia) Sdn Bhd were two of the largest major suppliers of our Group for the supply of raw materials and ingredients such as maize, soybean meal, wheat, pollard and sunflower meal for the production of poultry feed. We are dependent on Hoe Seng Chan Company Sdn Bhd and Cargill (Malaysia) Sdn Bhd which consistently contributed more than 10.0% of our Group's purchases for FYE 2022 to 2024. Hoe Seng Chan Company Sdn Bhd contributed 34.2%, 31.9% and 25.2% respectively to our Group's purchases for FYE 2022 to 2024. On the other hand, Cargill (Malaysia) Sdn Bhd contributed 13.9%, 20.9% and 21.7% respectively to our Group's purchases for FYE 2022 to 2024.

In the event that Hoe Seng Chan Company Sdn Bhd and/or Cargill (Malaysia) Sdn Bhd ceases the supply of the above raw materials and ingredients to our Group, our production of poultry feed may be disrupted if we are unable to purchase similar raw materials and ingredients from alternative suppliers before our inventory is depleted. In such circumstances, if we are unable to source ready-made poultry feed from suppliers at the required amount, our operations will be adversely affected as we may not have sufficient poultry feed to feed our layer chickens, which may consequently lead to insufficient nutrition intake of our layer chickens and affect the quality of our table eggs. If the situation worsens, our layer chickens may be exposed to risk of mortality.

In addition, our Group's poultry farming business focuses on rearing of layer chickens to produce table eggs for sale, and we do not hatch day-old-chicks internally at our Bidor Integrated Farm. We source all day-old-chicks from Leong Hup Group of Companies, thereafter rearing the day-old-chicks to layer chickens to produce table eggs.

As such, we are dependent on Leong Hup Group of Companies for the supply of day-old-chicks. In the event that Leong Hup Group of Companies ceases to supply us with day-old-chicks due to factors beyond our control (e.g. commercial reasons, decision to keep all day-old-chicks for internal rearing, or outbreaks of poultry infections and diseases) and we are unable to secure new suppliers of day-old-chicks in a timely manner and/or on commercially acceptable terms, we will face shortage of day-old-chicks and delays in filling our chicken coops with day-old-chicks for rearing. In such circumstances, we may face a prolonged decline in our egg production and thus materially and adversely affect our business operations and financial performance.

9.1.8 We rely on certain licences, permits and approvals to conduct our business

We are dependent on various licences, permits and approvals issued by the relevant government authorities in Malaysia to conduct our business. Please refer to Section 6.7 for details of our major licences, permits and approvals, including the respective issuing authorities, expiration dates and status of compliance.

Our licences, permits and approvals are generally subject to a variety of conditions which are either stipulated within the licences, permits and approvals themselves, or under the respective legislations and/or regulations governing the issuing authorities. All licences, permits and approvals need to be renewed or reassessed by the relevant authorities on a periodic basis. As at LPD, we have obtained all licences, permits and approvals to operate our business save for the Certificate of Accommodation that has been expired on 14 March 2025. We have applied for renewal of the Certificate of Accommodation on 15 January 2025. We must continue to comply with the restrictions and conditions imposed by the relevant authorities for us to maintain the validity of such licences, permits and approvals.

While we have not encountered any issues in renewing or obtaining any of the required licences, permits and approvals to conduct our poultry farming operations during FYE 2022 to 2024 and up to LPD, there can be no assurance that we will be able to renew or obtain such licences, permits and approvals in the future or that we will not be subject to suspension, withdrawal or termination of our licences, permits and approvals. Any such failure to secure renewal or obtain the required licences, permits or approvals would adversely affect our financial performance, results of operations and prospects.

9.1.9 We are indirectly exposed to foreign exchange fluctuation risks which may impact the profitability of our Group

For FYE 2022 to 2024, our major supplies were raw materials and ingredients sourced for the production of poultry feed, constituting 85.9%, 84.4% and 82.3% to our total purchases of supplies. The key raw materials and ingredients used for the production of poultry feed (e.g. maize, soybean meal, wheat, pollard and sunflower meal) are generally imported by our local suppliers from several key producing countries for these raw materials and ingredients, which include Argentina and Ukraine. As such, we are indirectly subject to the risk of foreign exchange fluctuation. Should the RM depreciate against the USD (i.e. the currency commonly used by our local suppliers for overseas sourcing), our local suppliers will factor in the depreciation to our purchase transactions by increasing the charges to our Group, even though our purchases from these local suppliers are transacted in RM. In such circumstances, our GP margin might decline, potentially harming our financial performance as we may not be able to promptly pass the increased costs to our customers through product pricing adjustment in view of competitive pressures.

On the other hand, for FYE 2022 to 2024, majority of our revenue (i.e. 96.3%, 98.9% and 99.2%) were generated from sales to local customers which are denominated in RM. The remaining 3.7%, 1.1% and 0.8% of our revenue were generated from sales to Hong Kong customers which are denominated in USD. Hence, our exposure to foreign exchange fluctuation from revenue is minimal. Moving forward as we intend to export our table eggs to Singapore whereby the sales will be denominated in SGD, we will be exposed to foreign exchange fluctuation in SGD. Should the SGD depreciate against the RM, it will lead to lower revenue in RM after conversion, which may eventually impact our financial results.

9.1.10 The fair value of our biological assets is subject to fluctuations

Our Group is principally involved in poultry farming whereby we rear layer chickens for the production of table eggs. As such, our Group's biological assets are our layer chickens that comprise pullets and mature hens (also known as layers). The fair value of our biological assets is determined using discounted cash flow model based on expected cash inflow from agriculture produce (which depends on, amongst others, the expected number of eggs produced and projected eggs selling prices) less expected cost to be incurred over the remaining life of pullets and layers (which includes feed consumption rate and feed costs) and contributory assets charges for the land and farm houses owned by our Group. Please refer to Note (8) of the Accountants' Report as set out in Section 13 for further details of the accounting policy and valuation process of our biological assets. Any changes in the factors considered in the accounting policy and valuation process of our biological assets may impact the fair value of our biological assets, and any changes to the fair value are recognised in profit or loss. For FYE 2022 to 2024, the changes in the fair value of our biological assets recognised in profit or loss amounted to RM2.5 million, RM17.4 million and RM5.8 million, respectively.

Further, the key assumptions used for the fair value calculation of the biological assets for FYE 2022 to 2024 are the estimated average eggs' selling prices and estimated feed costs as at end of financial year. Hence, any changes in the assumptions used may affect the fair value of our biological assets. Please refer to Note (8) of the Accountants' Report as set out in Section 13 for the sensitivity analysis of the possible changes in the key assumptions on the fair value of our biological assets.

9.1.11 We are exposed to credit risk and default payment by customers

Our sales to customers are conducted on cash term or credit term of up to 90 days. In the event of delay or default in payment by our customers, our operating cash flows or financial results may be adversely affected.

While we have not impaired for any credit loss or experienced any material delay or default in payment by our customers during FYE 2022 to 2024 and up to LPD, there can be no guarantee that our customers will be able to fulfil their payment obligations within the stipulated credit period and that we will not encounter any collection problems in the future. In the event that there is any default or delay in the collection of payment, it may lead to impairment losses on trade receivables or bad debts which may adversely impact our financial performance.

9.1.12 Our 'QPlus' house-brand is critical to our image and the value of our brand and our reputation may be adversely affected by negative perception

The image of our house-brand, 'QPlus', is integral to our business and market reputation as it is used to market our table eggs. For FYE 2022 to 2024, 4.6%, 12.8% and 7.4% of our revenue were generated from sales of tables eggs that are labelled under our house-brand, 'QPlus'.

Our house-brand could be adversely affected if our public image or reputation were to be tarnished by negative publicity through traditional or social media platforms, including negative publicity about our table eggs. Content that is adverse to our interests, whether or not accurate, could be posted to social media platforms and disseminated to broad audiences without any verification of such content. Even isolated incidents involving our table eggs could potentially erode the trust and confidence of our customers and consumers, thus damaging the image of our house-brand especially if such incidents result in adverse publicity. For instance, we may be wrongly faulted and subject to market rumours based on unfounded claims of poor quality table eggs when in reality, such issues may stem from improper storage of our table eggs. We cannot guarantee that we will be able to prevent or mitigate the occurrence of such incidents. This could adversely affect our ability to attract and engage customers and consumers to purchase our table eggs, which would eventually adversely impact our business, financial condition and results of operations.

9.1.13 The absence of long term contracts with customers may result in the fluctuation of our Group's financial performance

We do not enter into any long term contracts with our customers and all transactions with our customers are conducted by way of purchase orders and verbal arrangements. To ensure clarity and traceability of orders that we receive via verbal arrangements, invoices are issued to the respective customers upon fulfilment of the orders. Given that we do not have any long term contracts with our customers, we are exposed to the risk of losing our existing customers as our existing customers are not obliged to purchase table eggs from us and may cease their purchases from us at any time.

Our Group continuously seeks to ensure customer satisfaction by maintaining the quality of our table eggs and strengthening business relationships with our Group's existing customers. Nonetheless, there is no certainty and assurance that our existing customers will continue to purchase table eggs from our Group either at all or at pre-existing quantities. In the event that we lose a substantial amount of our customers and are unable to secure additional sales from existing customers or secure new customers in a timely manner, our Group's financial performance may be adversely affected.

9.1.14 We may not be able to successfully implement our business strategies

We plan to expand our Group's business through our business strategies as follows:

(a) to expand our poultry farming business by setting up a new poultry farm in the Teluk Intan Lands as well as expanding our feed mill operations in our Bidor Integrated Farm;

(b) to actively expand our customer base to continue growing our financial performance; and

(c) to expand our sales by exporting our table eggs to Singapore.

Please refer to Section 7.18 for further details of our business strategies.

The implementation of our business strategies is subject to additional expenditures including operational expenditures and other working capital requirements, which will increase our Group's overall operational cost, including overhead costs and cost of sales. This may result in an adverse impact to our profit margin if we are unable to gain sufficient revenue following the execution of our business strategies.

We intend to finance a portion of the construction cost of our new poultry farm at the Teluk Intan Lands through bank borrowings. While we are optimistic in procuring bank borrowings in view of our healthy financial position, there is no guarantee that we will be able to secure the required funding on commercially favourable or acceptable terms, including acceptable interest rates, or at all. In such situation, we intend to utilise our internally generated funds and/or reallocate the earmarked funds for general working capital requirements towards partial payment for our construction works. In the event the earmarked funds for general working capital requirements or cash generated from our operations is insufficient for our future working capital requirements, it could materially affect our business, financial condition and results of operations. Moreover, the estimated timeline for the construction of our new poultry farm at the Teluk Intan Lands may deviate from our plan as detailed in Sections 4.9.1(a) and 7.18.1, due to our exposure to various risks such as dwindling demand or oversupply of eggs, the potential delay in obtaining the necessary approvals/ licences such as the CCC, fire certificate and DVS licence that are required to commence the operations of the new poultry farm. Further, any outbreaks of poultry infections and diseases (e.g. Avian Influenza, Newcastle disease and infectious bronchitis) in our existing chicken coops and pandemic (e.g. the COVID-19 pandemic) may necessitate us to dedicate our resources in managing the impact, which could consequently disrupt and delay construction progress of the new poultry farm.

Further, despite our best efforts, we may be unsuccessful in implementing our expansion into the Singapore market as there is no guarantee that we will be able to establish a stable and recurrent customer base in the country. We also anticipate facing competition from poultry farmers/table egg suppliers who are already selling table eggs within the Singapore market. Furthermore, as our Group will be required to deliver table eggs from our Bidor Integrated Farm to customers in Singapore, we are likely to experience lower profit margins compared to local Singaporean poultry farmers and egg suppliers, primarily due to the additional transportation costs incurred. All of these may pose challenges to the success of our expansion plan to Singapore.

In addition, while our Group's key management team have years of experience in our business operations and/or their respective field of expertise, there can be no assurance that the effort and expenditures spent on the execution of our business strategies will yield expected results in expanding our business. We are also not able to guarantee the successful implementation of our business strategies and in a sustainable manner, nor can we assure that we will be able to anticipate the business and operational risks arising from our business strategies. Such failure may lead to adverse effect on our business operations and financial performance.

9.1.15 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations

We maintain insurance at levels that are customary in our industry to protect against various losses and liabilities. As at LPD, our Group has taken up several insurance policies which include:

(a) Fire insurance for our fixed assets, inventory, machinery and equipment (including those held in trust by our relevant companies) in relation to any damage caused by fire, aircraft and other aerial devices, explosions, civil disorders and/or natural disasters such as tempest storms, earthquakes, volcanic eruptions and floods, impact damage, bursting or overflowing water tanks or pipes;

(b) Burglary insurance for damage to premises, office equipment, machinery, building furniture, fixtures and fittings caused by any burglary, robbery, hold-up, larceny, strikes, riots and civil commotions;

(c) Products liability insurance for claims made notified in relation to any legal liability to be paid by way of compensation as a result of a claim for injury and/or damage in connection with the production, marketing and sale of eggs;

(d) Public liability insurance for claims made notified in relation to any bodily injury or to any illness of any person and loss of or damage to property as a result of an accident happening in connection with our business and occurring within our premises;

(e) Goods in transit insurance for theft, fire, or accidental damage to our stock of eggs (including eggs held in trust or on commission by our relevant companies) during transit conveyed in our vehicles and/or in our contractors' vehicles within Peninsular Malaysia and Singapore;

(f) Medical benefits and hospitalisation insurance for all of our employees in relation to any sickness or injuries suffered during the course of their employment; and

(g) Motor vehicle insurance in relation to any damages to our motor vehicles.

As these insurance coverages are subject to exclusions and limitations of liability both in amount and with respect to the insured events, our insurance may not be adequate to cover all losses or liabilities that might be incurred in our operations because of any unforeseen circumstances. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business operations and financial performance. Moreover, we will be subject to the risk that, in the future, we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant loss or liability for which we were not fully insured, the additional cost incurred by our Group may adversely affect our financial performance. For FYE 2022 to 2024 and up to LPD, save for a minor insurance claim amounting to RM2,400.00 for a damage in our weighing bridge equipment due to lightning in FYE 2022, we did not submit or receive any other insurance claims. Please refer to Section 7.13 for details of insurance policies taken up by our Group.

9.2 RISKS RELATING TO OUR INDUSTRY IN WHICH OUR GROUP OPERATES

9.2.1 We are exposed to changes in Government policies, laws or regulations pertaining to poultry farming operations

Our Group is principally involved in poultry farming, whereby we rear layer chickens for the production and sale of table eggs. Any changes in Government policies, laws or regulations pertaining to poultry farming operations in Malaysia may require poultry farmers, including our Group, to adjust their business operations, which could in turn impact their business and financial performance.

For example, in August 2023, new guidelines were issued by the Government through the Ministry of Housing and Local Government, which required all open cage systems to be converted into closed house system by 2030. This will affect all operators which maintain open cage systems. In this regard, our Group fully uses closed house chicken coops in our Bidor Integrated Farm. In another instance, between February 2022 and April 2025, various degrees of price control were implemented on certain ordinary eggs, together with the provision of egg subsidies to egg producers. Please refer to Section 7.3 for details on implementation of price control and egg subsidies. Effective 1 May 2025 and 1 August 2025 respectively, the price control and egg subsidies were removed entirely, necessitating our Group to adjust our business strategies (e.g. pricing and sales strategy) in order to sustain our operations and profitability. Moving forward, if our Group is unable to adapt our business strategies in response to future changes in Government policies, laws or regulations affecting our operations, we may not be able to maintain or improve our financial performance, thereby posing a sustainability risk to our Group.

9.2.2 We are exposed to the risk of competition from other industry players

The layer poultry industry in Malaysia is competitive with players ranging from fully integrated layer poultry producers (i.e. industry players who are involved in the entire layer poultry farming supply chain) and specialised layer poultry farmers (i.e. industry players who are primarily involved in certain segments of the layer poultry farming supply chain, such as day-old-chicks hatching, feed production or egg production), to local backyard layer poultry farmers (i.e. industry players who generally serve traditional retail markets such as wet markets and sundry shops). We generally compete with other poultry industry players in terms of production capacity. Please refer to Section 8 for further details on the competitive landscape of the layer poultry industry in Malaysia.

Layer poultry farmers with larger production capacities enjoy a competitive advantage, benefiting from economies of scale. Further, layer poultry farmers who have strong industry knowledge and expertise on farm management such as biosecurity, feed and water management, waste management, amongst others, are more competitive as these aspects are crucial for optimising farm efficiency and maximising egg production.

The layer poultry industry has moderate to high barriers to entry due to its capital-intensive nature as establishing such operations requires large investments in land, facility (e.g. coops, feed storage, processing facility, automated feeding, egg collection or waste management systems), layer stocks, amongst others. Nevertheless, failure to remain competitive in the industry may lead to reduced sales which will adversely impact our financial performance.

9.2.3 We are exposed to risks relating to the economic, political, legal and regulatory, environments in Malaysia and countries which we export our table eggs to

Our Group is incorporated in Malaysia and conducts all poultry farming operations in Malaysia. As such, any adverse change in Malaysia's economic conditions, political environment, or legal and regulatory framework could negatively impact on our business operations, financial performance and prospects.

In addition, our Group currently exports table eggs to overseas customers in Hong Kong and intends to expand our export activities to Singapore. Consequently, our Group's operations may be influenced by various external factors in these markets, including economic conditions, political stability, inflation rates, interest rates, expropriation risks, import and export restrictions, duties and tariffs, civil unrest, taxation policies, and foreign exchange controls.

Any unfavourable changes to applicable laws and regulations, particularly those concerning the licences, permits, and approvals required for our Group to operate and/ or export table eggs to Hong Kong and Singapore, whether currently in place or introduced in the future, could adversely affect our sales and financial performance. Furthermore, the occurrence of force majeure events, such as acts of terrorism, war, riots, epidemics and natural disasters, whether occurring globally or within Malaysia, are beyond our control and may have a material adverse impact on our business operations, prospects and financial performance.

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

Prior to our Listing, there was no public trading for our Shares. The listing of our Shares on the Main Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the Main Market.

9.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

(a) The selected investors fail to subscribe for their portion of our IPO Shares;

(b) Our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and

(c) We are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.0% of our total number of Shares for which listing is sought must be held by a minimum number of 1,000 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial performance. These factors may include variations in our financial performance, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

9.4 OTHER RISKS

9.4.1 Our Promoters will be able to exert significant influence over our Company

Our Promoters will collectively hold approximately 70.0% of our enlarged share capital upon Listing. As a result, our Promoters will be able to effectively control the business direction and management of our Group and as such there can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders. The interests of our Promoters may differ from the interests of our other shareholders and they may be able to exercise significant influence over the vote of our Shares. Our Promoters could also have significant influence in determining the outcome of any corporate transactions or other matters submitted to our shareholders for approval. This includes the election of Directors, approval of business ventures and having substantial voting control over our Group. As such, our Promoters will have a deciding vote on the outcome of any ordinary resolution (which requires a simple majority of 50% plus 1 voting share) to be tabled at general meeting, unless they are required to abstain from voting by law, relevant guidelines or regulations.

10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition of Hock Soon Poultry Farm and as disclosed below, there were no transactions, existing and/ or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our related parties which are material to our Group during FYE 2022 to 2024 and up to LPD:

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value							
						FYE 2022		FYE 2023		FYE 2024		[1]1 October 2024 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%
(a)	BL Ong & Sons Ventures	Hock Soon Poultry Farm	Ong Boon Leng Lim Suk Gen Ong Keat Qian Ong Keat Hoe	Ong Boon Leng is our Promoter, Managing Director and substantial shareholder Lim Suk Gen is our Promoter, Executive Director and substantial shareholder Ong Keat Qian is our Promoter, Executive Director and substantial shareholder Ong Keat Hoe is our Promoter, Executive Director and substantial shareholder Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe are the directors and shareholders of BL Ong & Sons Ventures	Disposal of lands and open structures to BL Ong & Sons Ventures[3]	-	-	-	-	8,055	[2]5.5	-	-
					Disposal of equipment and machinery to BL Ong & Sons Ventures[4]	-	-	-	-	295	[2]0.2	-	-
					Sale of raw manure by Hock Soon Poultry Farm to BL Ong & Sons Ventures[5]	-	-	-	-	-	-	635	[1]-

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Notes:

(1) The percentage of the related party transaction is not calculated as the financial statements up to LPD was not prepared.

(2) Computed based on our Group's NA for each of the respective financial years.

(3) Hock Soon Poultry Farm had entered into 3 sale and purchase agreements all dated 9 September 2024 with BL Ong & Sons Ventures for the disposals of 5 pieces of vacant freehold land where its manure facilities such as manure storage as well as manure collection and drying station are erected thereon, as disclosed under Sections 6.5(a), (b) and (c). The said lands and manure facilities are not located within our Bidor Integrated Farm. The said sale and purchase agreements were completed on 30 September 2024. The disposal considerations for these lands were based on recent transacted values of other similar properties and disposal of the manure facilities such as manure storage as well as manure collection and drying station were based on their NBV in Hock Soon Poultry Farm.

(4) Hock Soon Poultry Farm has entered into a sale and purchase agreement dated 9 September 2024 with BL Ong & Sons Ventures for the disposal of its equipment and machinery owned by Hock Soon Poultry Farm for its manure facilities to BL Ong & Sons Ventures, as disclosed in Section 6.5(d). The disposal consideration was based on the NBV of these equipment and machinery.

(5) Hock Soon Poultry Farm has been selling its raw manure to BL Ong & Sons Ventures subsequent to FYE 2024. From 1 October 2024 up to LPD, the total sales of raw manure to BL Ong & Sons Ventures amounted to RM0.6 million, which was transacted at arm's length based on cost-plus benchmarking analysis. BL Ong & Sons Ventures is principally an investment holding company in land. Our Group has historically collected, dried and sold the treated manure to third parties. Henceforth, our Group does not intend to undertake operations in the handling of raw manure as our Group wishes to focus on poultry farming as our core business activity.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Our Directors confirm that the disposals of lands and manure facilities as well as equipment and machinery for the operations of handling manure to BL Ong & Sons Ventures were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties than those generally available to the public and were not detrimental to our Group. This was determined based on the following:

(a) disposal price of the lands were based on recent transacted values of other similar properties and disposal of the manure facilities such as manure storage as well as manure collection and drying station were based on their NBV in Hock Soon Poultry Farm; and

(b) disposal of equipment and machinery were transacted based on their NBV in Hock Soon Poultry Farm.

The sale of raw manure to BL Ong & Sons Ventures was not transacted on competitive commercial terms as our Group is unable to determine the market prices, rates or charges of such sales. Notwithstanding, our Directors confirm that the sale of raw manure to BL Ong & Sons Ventures was conducted on an arm's length basis as they were transacted based on cost-plus benchmarking analysis.

Save as disclosed above, our Directors confirm that there are no other material related party transactions that have been effected during FYE 2022 to 2024 and up to LPD or that has been entered into but not yet effected, up to the date of this Prospectus.

Moving forward, apart from the recurrent related party transactions disclosed above in relation to the sale of raw manure to BL Ong & Son Ventures, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

(i) at least 2 other contemporaneous transactions with third parties for similar products and/ or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/ services and/ or quantities; or

(ii) if quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

(i) whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;

(ii) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and

(iii) whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, our Directors, major shareholders and/ or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/ or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/ or indirect shareholdings. Such interested Directors and/ or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS

10.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2022 to 2024, and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

(a) Outstanding loans and/ or balances

As at LPD, there are no outstanding loans made by our Group to/ for the benefit of any related parties or granted by any related parties for the benefit of our Group.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

(b) Guarantees

(i) Our Directors, namely Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe ("**Guarantors**") have provided personal guarantees for the banking and hire purchase facilities extended by the following financial institutions ("**Financiers**"):

Financiers	Type of facilities	Outstanding balance as at LPD	Facility limit	Guarantors
		RM'000	RM'000	
OCBC Bank (Malaysia) Berhad	1 credit facility	(1)-	6,540	Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe
Bank Pertanian Malaysia Berhad	3 term loans	13,754	19,440	Ong Boon Leng, Ong Keat Qian and Ong Keat Hoe
Maybank Islamic Berhad	1 term loan	1,927	2,063	Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe
OCBC Al-Amin Bank Berhad	2 hire purchase facilities	348	360	Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe
Hong Leong Bank Berhad	1 hire purchase facilities	111	128	Ong Keat Hoe
		16,140	**28,531**	

Note:

(1) As at LPD, our Group has not utilised the credit facility.

In conjunction with our Listing, we have applied to the Financiers to obtain a conditional consent for the release and/ or discharge of the personal guarantees by substituting the same with a corporate guarantee from our Company and/ or other securities from our Group acceptable to the Financiers. Until such release and/ or discharge are obtained from the respective Financiers, our Directors will continue to provide their personal guarantees which will remain intact as security for the banking facilities and hire purchase facilities which were extended to our Group.

As at LPD, we have received conditional approval from all the Financiers to discharge the existing guarantee by the Guarantors subject to our Listing.

(c) Financial assistance

As at LPD, there is no financial assistance provided by us for the benefit of any related parties or granted by any related parties for the benefit of our Group.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

10.2.3 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Underwriter and Placement Agent for our Listing:

(a) Agreement dated 13 May 2024 entered into between our Company and M&A Securities for the appointment of M&A Securities as Adviser and Placement Agent for our Listing; and

(b) Underwriting Agreement dated [•] entered into between our Company and M&A Securities for the underwriting of 37,500,000 Issue Shares.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

Save as disclosed below, as at LPD, none of our Directors and substantial shareholders has any interest, direct or indirect, in any businesses and corporations which are carrying on a similar trade as our Group, or which are customers and/ or suppliers of our Group:

Name of company	Principal activity	Interested person/ Nature of interest
BL Ong & Sons Ventures	Investment holding in land and handling of chicken manure	Ong Boon Leng/ Ong Boon Leng is our Promoter, Managing Director and substantial shareholder. He is also the non-executive director and shareholder of BL Ong & Sons Ventures Lim Suk Gen/ Lim Suk Gen is our Promoter, Executive Director and substantial shareholder. She is also the non-executive director and shareholder of BL Ong & Sons Ventures Ong Keat Qian/ Ong Keat Qian is our Promoter, Executive Director and substantial shareholder. He is also the non-executive director and shareholder of BL Ong & Sons Ventures Ong Keat Hoe/ Ong Keat Hoe is our is our Promoter, Executive Director and substantial shareholder. He is also the non-executive director and shareholder of BL Ong & Sons Ventures

Our Group has been selling raw manure to BL Ong & Sons Ventures subsequent to FYE 2024. From 1 October 2024 up to LPD, the total sales of raw manure to BL Ong & Sons Ventures amounted to RM0.6 million. Our Board is of the view that there is no concern on such conflict of interest between our Group and BL Ong & Sons Ventures, having assessed the following mitigating factors:

(a) the related party transactions were carried at arm's length based on cost-plus benchmarking analysis and were not detrimental to our Group;

(b) the sale of raw manure to BL Ong & Sons Ventures is not our core business activity, and accounted for less than 1.0% of our Group's total revenue for FYE 2024 which is not material. Our Group is not dependent on such sales;

(c) our Group has historically collected, dried and sold the treated manure to third parties. Henceforth, our Group does not intend to undertake operations in the handling of treated manure as our Group wishes to focus on poultry farming as our core business activity; and

(d) our Group and BL Ong & Sons Ventures operate in 2 distinct businesses and are not competing with each other. BL Ong & Son Ventures has its own management team and its business is operated and managed independently on a day-to-day basis by its management team.

11. CONFLICT OF INTEREST *(Cont'd)*

It is our Board's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nomination Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nomination Committee will then first evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nomination Committee will then:

(a) immediately inform our Audit and Risk Management Committee and Board of the conflict of interest situation;

(b) after deliberation with our Audit and Risk Management Committee, to make recommendations to our Board to direct the conflicted Director to:

    (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and

    (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(ii) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Nomination Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may, however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nomination Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11. CONFLICT OF INTEREST *(Cont'd)*

11.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

(a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Underwriter and Placement Agent for our Listing;

(b) Tay & Helen Wong has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing;

(c) KPMG PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing; and

(d) SMITH ZANDER has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our Company was incorporated on 26 November 2024 to facilitate the Listing and the Acquisition of Hock Soon Poultry Farm was completed on [●]. The Acquisition of Hock Soon Poultry Farm will be accounted for using book value accounting in the consolidated financial statements of our Company for FYE 2025. For the purpose of this section, as our Company was incorporated subsequent to the latest reporting period presented, the financial information contained in the ensuing sections relates solely to the audited consolidated financial statements of Hock Soon Poultry Farm.

The audited consolidated financial statements throughout FYE 2022 to 2024 have been prepared in accordance with MFRS and IFRS. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

12.1.1 Consolidated statement of profit or loss and other comprehensive income

The following table sets out a summary of our consolidated statement of profit or loss and other comprehensive income for FYE 2022 to 2024, which have been extracted from the Accountants' Report as set out in Section 13. It should be read in conjunction with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report as set out in Sections 12.2 and 13 respectively.

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Revenue	134,178	146,251	151,377
Cost of sales	(110,805)	(105,125)	(92,549)
GP	**23,373**	**41,126**	**58,828**
Other income	4,007	18,494	8,433
Administrative expenses	(7,450)	(13,568)	(13,723)
Distribution costs	(2,631)	(2,417)	(2,484)
Results from operating activities	**17,299**	**43,635**	**51,054**
Finance income	1,173	1,799	2,849
Finance cost	(45)	(13)	(19)
PBT	**18,427**	**45,421**	**53,884**
Tax expense	(3,882)	(11,178)	(13,141)
PAT	**14,545**	**34,243**	**40,743**
Other comprehensive (expense)/income, net of tax			
Item that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments designated at fair value through other comprehensive income	(105)	73	1,077
Other comprehensive (expense)/income for the year, net of tax	**(105)**	**73**	**1,077**
Total comprehensive income for the year	**14,440**	**34,316**	**41,820**
Profit and total comprehensive income attributable to:			
- Owners of the Group	14,440	34,316	41,820
- Non-controlling interest	-	-	-
	14,440	**34,316**	**41,820**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
EBIT[1]	17,299	43,635	51,054
EBITDA[1]	19,560	45,540	53,300
GP margin (%)[2]	17.4	28.1	38.9
PBT margin (%)[3]	13.7	31.1	35.6
PAT margin (%)[3]	10.8	23.4	26.9
Effective tax rate (%)[4]	21.1	24.6	24.4
Basic EPS (sen)[5]	3.6	8.6	10.2
Diluted EPS (sen)[6]	2.9	6.8	8.1
Results after adjusting for government subsidies[7]			
Revenue	134,178	146,251	151,377
Cost of sales	(110,805)	(105,125)	(92,549)
Government subsidies received	(7,254)	(20,971)	(32,079)
Adjusted cost of sales	(118,059)	(126,096)	(124,628)
Adjusted GP	**16,119**	**20,155**	**26,749**
PBT	18,427	45,421	53,884
Less:			
Government subsidies received	(7,254)	(20,971)	(32,079)
Adjusted PBT	**11,173**	**24,450**	**21,805**
PAT	14,545	34,243	40,743
Less:			
Government subsidies received, net of 24% tax	(5,513)	(15,938)	(24,380)
Adjusted PAT	**9,032**	**18,305**	**16,363**
Adjusted GP margin (%)	12.0	13.8	17.7
Adjusted PBT margin (%)	8.3	16.7	14.4
Adjusted PAT margin (%)	6.7	12.5	10.8
Results after adjusting for government subsidies and fair value gain on biological assets[8]			
PBT	18,427	45,421	53,884
Less:			
Government subsidies received	(7,254)	(20,971)	(32,079)
Gain on change in fair value of biological assets	(2,525)	(17,417)	(5,763)
Adjusted PBT	**8,648**	**7,033**	**16,042**
PAT	14,545	34,243	40,743
Less:			
Government subsidies received, net of 24% tax	(5,513)	(15,938)	(24,380)
Gain on change in fair value of biological assets, net of 24% deferred tax	(1,919)	(13,237)	(4,380)
Adjusted PAT	**7,113**	**5,068**	**11,983**
Adjusted PBT margin (%)	6.4	4.8	10.6
Adjusted PAT margin (%)	5.3	3.5	7.9

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

(1) EBIT and EBITDA are calculated as follows:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
PAT	14,545	34,243	40,743
Less:			
Finance income	(1,173)	(1,799)	(2,849)
Add:			
Finance costs	45	13	19
Tax expense	3,882	11,178	13,141
EBIT	**17,299**	**43,635**	**51,054**
Add:			
Depreciation	2,261	1,905	2,246
EBITDA	**19,560**	**45,540**	**53,300**

(2) GP margin is calculated based on GP divided by revenue.

(3) PBT or PAT margin is calculated based on PBT or PAT divided by revenue.

(4) Effective tax rate is calculated based on tax expense divided by PBT.

(5) Basic EPS is calculated based on PAT divided by enlarged share capital of 400,000,000 Shares before our IPO.

(6) Diluted EPS is calculated based on PAT divided by enlarged share capital of 500,000,000 Shares after our IPO.

(7) For illustration, excluding government subsidies for FYE 2022 to 2024. In Malaysia, certain ordinary eggs (i.e. grade A, B and C eggs) are price-controlled products by the Government, whereby the Government has set a ceiling retail price for eggs. To retain the price control on eggs without compromising the profitability of egg producers in Malaysia, the Government has also vide the DVS introduced a provision of subsidies to egg producers.

(8) For illustration, excluding government subsidies and gain on change in fair value of biological assets for FYE 2022 to 2024.

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12.1.2 Consolidated statement of financial position

The following table sets out the consolidated statement of financial position of our Group as at 30 September 2022, 30 September 2023 and 30 September 2024, which have been extracted from the Accountants' Report as set out in Section 13. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report as set out in Sections 12.2 and 13 respectively.

	Audited		
	As at 30 September		
	2022	2023	2024
	RM'000	RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	28,453	34,529	36,059
Right-of-use assets	680	538	379
Investment properties	5,434	5,355	5,017
Other investments	8,616	9,653	4,154
Total non-current assets	**43,183**	**50,075**	**45,609**
Current assets			
Biological assets[1]	23,493	42,277	49,095
Inventories	8,737	5,169	5,515
Current tax assets	984	-	63
Trade and other receivables	5,951	6,233	5,706
Prepayments and other assets	349	1,867	1,502
Other investments	55,737	75,293	45,856
Cash and cash equivalents	6,869	6,007	18,771
	102,120	136,846	126,508
Asset classified as held for sale	-	-	258
Total current assets	**102,120**	**136,846**	**126,766**
Total assets	**145,303**	**186,921**	**172,375**
Equity and liabilities			
Equity			
Share capital	9,261	9,261	9,261
Reserves	124,944	158,260	136,330
Equity attributable to owners of the Group	134,205	167,521	145,591
Non-controlling interest	-	-	[2]30
Total equity	**134,205**	**167,521**	**145,621**
Non-current liabilities			
Loans and borrowings	-	-	4,655
Lease liabilities	285	9	9
Deferred tax liabilities	4,931	9,539	11,332
Total non-current liabilities	**5,216**	**9,548**	**15,996**
Current liabilities			
Trade and other payables	5,876	6,340	7,927
Loans and borrowings	-	-	619
Lease liabilities	6	14	5
Current tax liabilities	-	3,498	2,207
Total current liabilities	**5,882**	**9,852**	**10,758**
Total liabilities	**11,098**	**19,400**	**26,754**
Total equity and liabilities	**145,303**	**186,921**	**172,375**

12. FINANCIAL INFORMATION *(Cont'd)*

Notes:

(1) Biological assets comprise pullets and layer chickens that are measured at fair value less cost to sell. For further details on the methodology and key assumptions in determining such fair value, please refer to Section 12.2.1 (j).

Biological assets are classified under our current assets as they are part of our Company's normal operating cycle, even though their value may not be expected to be realised within 12 months from the reporting period. This classification is in line with similar industry players' classification.

The following table shows the number of pullets and layers as at 30 September 2022, 30 September 2023 and 30 September 2024.

	As at 30 September		
	2022	**2023**	**2024**
Pullets	296,707	296,881	313,150
Layers	1,143,398	1,243,431	1,313,095
	1,440,105	**1,540,312**	**1,626,245**

Our biological assets increased from RM23.5 million as at 30 September 2022 to RM42.3 million as at 30 September 2023, mainly due to gain on change in fair value of biological assets of RM17.4 million, resulting from lower projected feed costs, increase in number of layer chickens and increase in projected selling prices for spent chicken in FYE 2023.

Our biological assets increased from RM42.3 million as at 30 September 2023 to RM49.1 million as at 30 September 2024, mainly due to gain on change in fair value of biological assets of RM5.8 million, resulting from lower projected feed costs and increase in number of layer chickens.

(2) Relates to the 30.0% non-controlling interest held by Mohamad Harasul Bin Harith Fadzilah in Al-Kauthar Trading, a 70.0%-owned subsidiary of Hock Soon Poultry Farm which was incorporated on 20 September 2024.

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12.1.3 Consolidated statement of cash flows

The following table sets out the consolidated statement of cash flows of our Group for FYE 2022 to 2024, which have been extracted from the Accountants' Report as set out in Section 13. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report as set out in Sections 12.2 and 13 respectively.

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Cash flows from operating activities			
PBT	18,427	45,421	53,884
Adjustments for:			
Bad debts written off	-	-	100
Depreciation of property, plant and equipment	1,841	1,666	2,007
Depreciation of right-of-use assets	341	160	160
Depreciation of investment properties	79	79	79
Gain on disposal of property, plant and equipment	(107)	(337)	(1,537)
Gain on disposal of right-of-use assets	(158)	-	-
Change in fair value of biological assets	(2,525)	(17,417)	(5,763)
Dividend income	(108)	(156)	(119)
Finance cost	45	13	19
Finance income	(1,173)	(1,799)	(2,849)
Operating profit before changes in working capital	**16,662**	**27,630**	**45,981**
Change in biological assets	(372)	(1,368)	(1,055)
Change in inventories	(3,653)	3,568	(346)
Change in trade and other receivables, prepayments and other assets	651	(1,800)	823
Change in trade and other payables	508	464	1,587
Cash generated from operations	**13,796**	**28,494**	**46,990**
Income tax paid	(2,005)	(2,088)	(12,703)
Net cash from operating activities	**11,791**	**26,406**	**34,287**
Cash flows from investing activities			
Acquisition of property, plant and equipment	(2,072)	(7,742)	(9,738)
Proceeds from disposal/(Acquisition) of quoted securities, net	346	(964)	2,076
Dividends received	108	156	119
Interest received	1,173	1,799	2,849
Proceeds from disposal of property, plant and equipment	169	337	8,924
Proceeds from disposal of right-of-use assets	300	-	-
(Placement)/Withdrawal of fixed deposits, net	(13,445)	(19,556)	33,936
Net cash (used in)/from investing activities	**(13,421)**	**(25,970)**	**38,166**

12. FINANCIAL INFORMATION *(Cont'd)*

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Cash flows from financing activities			
Dividend paid	-	(1,000)	(63,750)
Interest paid	(45)	(13)	(19)
Payment of lease liabilities	(730)	(285)	(9)
Payment of hire purchase	-	-	(598)
Drawdown of term loan, net	-	-	4,687
Net cash used in financing activities	**(775)**	**(1,298)**	**(59,689)**
Net (decrease)/increase in cash and cash equivalents	**(2,405)**	**(862)**	**12,764**
Cash and cash equivalents at the beginning of the financial year	**9,274**	**6,869**	**6,007**
Cash and cash equivalents at the end of the financial year[(1)(2)]	**6,869**	**6,007**	**18,771**

Note:

(1) Cash and cash equivalents comprised the following:

	Audited		
	As at 30 September		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Short-term deposits	-	-	1,631
Cash and cash equivalents	6,869	6,007	17,140
	6,869	**6,007**	**18,771**

(2) For illustration, if excluding government subsidies and gain on change in fair value of biological assets, our adjusted cash and cash equivalents are as follows:[(a)]

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Net cash from operating activities	11,791	26,406	34,287
Less:			
Government subsidies received, net of tax	(5,513)	(15,938)	(24,380)
Adjusted net cash from operating activities	6,278	10,468	9,907
Net cash (used in)/ from investing activities	(13,421)	(25,970)	38,166
Net cash used in financing activities	(775)	(1,298)	(59,689)
Adjusted net decrease in cash and cash equivalents	**(7,918)**	**(16,800)**	**(11,616)**
Adjusted cash and cash equivalents at the beginning of the financial year	[(b)]9,274	1,356	(15,444)
Adjusted cash and cash equivalents at the end of the financial year	**1,356**	**(15,444)**	**(27,060)**

Notes:

(a) The gain on fair value adjustment on biological assets is a non-cash item that was added back when calculating operating profit before changes in working capital. Hence, excluding this gain has no impact on the net cash from operating activities.

(b) As our Group began receiving government subsidies in FYE 2022, no adjustment was made to the cash and cash equivalents at the beginning of FYE 2022.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and segmental analysis of our consolidated financial statements for FYE 2022 to 2024 should be read in conjunction with the Accountants' Report as set out in Section 13.

12.2.1 Overview of our operations

(a) Principal activities

We are principally involved in poultry farming, whereby we rear layer chickens for the production of table eggs. Our table eggs can be categorised into ordinary eggs and premium eggs as below:

(i) Our **ordinary eggs** are eggs that contain basic nutritional value, which are produced by our layer chickens that are fed with basic poultry feed without enrichments added to them; and

(ii) Our **premium eggs** are eggs that contain higher nutritional value, such as Vitamin E, Omega DHA and selenium. These eggs are produced by our layer chickens that are fed with enriched poultry feed.

We sell our ordinary eggs unbranded or under our house brand `QPlus', and premium eggs all under our house brand `QPlus'. Upon request by customers, our Group also supplies table eggs packaged and/or labelled under our customers' brands.

We operate a vertically integrated business model for our poultry farming, beginning from rearing of layer chickens which is supported by our in-house feed mill operations to produce poultry feed to sorting and sale of eggs.

Our layer chickens typically start laying eggs at around 17 to 18 weeks old and will typically be past their prime laying period at around 90 weeks old. Layer chickens that have passed their prime laying period are known as spent chickens, which are sold to, amongst others, wholesalers and third-party poultry farmers. Our Group has historically collected, dried and sold the treated manure to third parties. Subsequent to FYE 2024, raw manure collected from our poultry farming is sold to a related party, namely BL Ong & Sons Ventures. The income generated from the sale of spent chickens and raw manure is part of our revenue stream.

Our Group adopts a multi-channel distribution strategy whereby our eggs are sold to our network of local wholesalers for onward sales to retailers (e.g. wet markets, mini markets and sundry shop) and food manufacturers; retailers for onward sales to consumers; and food manufacturers who use our eggs in their food manufacturing process. Apart from our local customers, we also sell our eggs to an overseas customer (i.e. a wholesaler) in Hong Kong, where we supply our ordinary eggs and premium eggs that are packaged and/or labelled under the customer's brand.

For FYE 2022 to 2024, the sales of table eggs were the largest revenue contributor, which accounted for 93.5%, 95.2% and 95.0% of our Group's total revenue respectively, which are driven by sales of ordinary eggs, which contributed 93.5%, 89.2% and 90.9% to our Group's total revenue respectively. Our Group launched and began to sell premium eggs in FYE 2023.

Please refer to Section 7 for our Group's detailed business overview.

(b) Revenue

Our revenue comprises income from the sale of table eggs and other products, such as the sale of spent chicken, raw manure, raw materials, scrap materials and handling charges.

Revenue from the sale of table eggs and other products are recognised upon goods being delivered and accepted by the customers at their premises or recognised upon the control of goods being transferred to the customer. There were no warranties given to the customers, nor any variable element in the consideration.

(c) Cost of sales

Cost of sales comprise mainly cost of materials and livestock, staff costs and related expenses, upkeep of farm machinery, utilities, depreciation of property, plant and equipment and right-of-use assets and transportation and forwarding costs. The cost of materials and livestock were offset with government subsidies received in relation to the sales of eggs.

(d) Other income

Other income mainly comprise gain on change in fair value of biological assets, gain on disposal of property, plant and equipment, net income from sale of fresh fruit bunches, realised gain on foreign exchange, rental income and gain on disposal of right-of-use assets.

(e) Administrative expenses

Administrative expenses mainly comprise directors' remuneration, legal and professional fees, upkeep and maintenance expenses, depreciation of property, plant and equipment, right-of-use assets and investment properties, foreign worker levy and staff-related expenses, insurance and entertainment.

(f) Distribution costs

Distribution costs mainly comprise transportation and forwarding costs.

(g) Finance income

Finance income comprises fixed deposit interests, bank interest income, interest income from long-term investments and interest income from short-term investments.

(h) Finance costs

Finance costs comprise term loan interests, hire purchase interests and lease liabilities interests.

(i) Significant events subsequent to FYE 2024

Save as disclosed below, there were no other significant events subsequent to our audited consolidated financial statements for FYE 2024:

(i) the Acquisition of Hock Soon Poultry Farm;

(ii) the acquisition of Teluk Intan Lands, and

(iii) the dividend paid of RM43.0 million.

(j) Accounting policies, estimates and judgements

The material accounting policy information is disclosed in Notes 3 (Property, plant and equipment), 4 (Right-of-use assets), 5 (Investment properties), 7 (Other investment), 8 (Biological assets), 9 (Inventories) and 17 (Revenue) of the Accountants' Report as set out in Section 13. The accounting policies that are peculiar to our Group because of the nature of our business involving poultry farming are summarised below:

Biological assets

We classified our biological assets as part of our normal operating cycle – current assets. This classification is in line with similar industry players' classification, which includes assets that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting period.

Valuation methodology

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 the discounted cash flow model based on expected cash inflow from agriculture produce less expected cost incurred over the remaining life of pullets and layers and contributory assets charges for the land and farm houses owned by our Group. Changes in fair value of the pullets and layers are recognised in the consolidated statement of profit or loss.

In preparing the financial statements, actual results may differ from the estimates as our management are required to make judgements, estimates, and assumptions on the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effects on the amounts recognised in the consolidated financial statements other than those discussed in Note 1(d) of the Accountants' Report. Significant accounting estimates and judgements of the Accountants' Report are included in Section 13.

Key assumptions used in deriving the fair value of biological assets

The key assumptions used in determining the fair value of biological assets are the selling prices of eggs and feed costs, the records of which for FYE 2022 to 2024 are set out in Note 8 of the Accountants' Report, and as follows:

	FYE 2022	**FYE 2023**	**FYE 2024**
Estimated average eggs' selling prices per piece (sen)	36	38	35
Estimated feed cost (RM per MT)	1,275	1,712	1,904

In deriving the fair value of layer chickens using discounted cash flow model, the management's estimation also includes other parameters, such as 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 layer chickens.

There is no difference on the key assumptions used for pullets and layers apart from the adjustments made on pullets as immature biological assets, which are set out in the following subsections.

The foregoing valuation assumptions applied by our Group were in line with market factors as well as industry practices.

Sensitivity analysis

The sensitivity analysis for the changes in each the key assumptions as well as other parameters on the effect on biological assets for each financial year end are tabulated as below:

Key valuation assumption	**Variation**	**Effect on biological assets**					
		FYE 2022		**FYE 2023**		**FYE 2024**	
	%	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Selling prices of egg	20.0	15,181	64.6	25,810	61.1	21,304	43.4
	-20.0	-15,181	-64.6	-25,810	-61.1	-21,304	-43.4
Feed cost	20.0	-9,911	-42.2	-15,326	-36.3	-9,458	-19.3
	-20.0	9,911	42.2	15,326	36.3	9,458	19.3
Vaccination cost	+20.0	-55	-0.2	-111	-0.3	-32	-0.1
	-20.0	55	0.2	111	0.3	32	0.1
Liveability rate(1)(2)	+5.0	509	2.2	670	1.6	640	1.3
	-5.0	-158	-0.7	-152	-0.4	-34	-0.1
Productivity rate(1)	+5.0	4,010	17.1	7,145	16.9	5,648	11.5
	-5.0	-4,177	-17.8	-7,145	-16.9	-5,648	-11.5
Discount rate(1)	+5.0	-1,087	-4.6	-1,612	-3.8	-1,367	-2.8
	-5.0	1,164	5.0	1,718	4.1	1,441	2.9
Selling prices of spent chicken	+20.0	1,374	+5.9	1,790	+4.2	1,127	+2.3
	-20.0	-1,374	-5.9	-1,790	-4.2	-1,127	-2.3

Notes:

(1) The above illustration uses 5.0% variation for the sensitivity analysis on the liveability rate, productivity rate and discount rate to provide a realistic and reasonable analysis on the effect of these key valuation inputs of biological assets.

(2) For liveability rate, those existing above 95.0%, it will be taken as 100.0%, while those below 95.0%, it will be added with 5.0% directly.

Fair value adjustments to pullets

After determining the fair value of the pullets, an adjustment is made to their fair value, to reflect the stages of growth and biological transformations of immature biological assets. In this regard, the first 4 months of layers (i.e. pullets) are considered as immature biological assets, and therefore, although the pullet houses can be measured at fair value based on the future projected cash flows, such fair value does not represent the price in an orderly transaction between willing buyer and willing seller.

The adjustment made is equal to the difference between: the purchase price of day-old chicks; against the discounted net cash flows as of the 1st month when the chicken reaches its mature stage (i.e: approximately the fifth month). This difference will be proportionately recorded over the first 4 months to reflect the incremental value of the biological transformation of the pullet into a mature hen.

Accounting treatment and recognition of the value for agriculture produce (fresh eggs)

Fresh eggs harvested from the Group's biological assets are outputs of the biological assets. The eggs are instead recognised as "finished goods – Agriculture produce". In accordance to MFRS 102, Para 20, agricultural produce that an entity has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest (i.e: fair value being the selling price at the point of harvest) and this is the cost of the inventories at the initial recognition. In accordance with MFRS 102, the eggs are stated at the lower of cost and net realisable value.

(k) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during FYE 2022 to 2024. In addition, the audited financial statements of our Group for FYE 2022 to 2024 were not subject to any audit qualifications.

(l) Significant factors affecting our business

Section 9 details the risk factors relating to our business and the industry in which we operate in. Some of these risk factors have an impact on our revenue and financial performance. The main factors which affect revenues and profits include but are not limited to the following:

(i) We are exposed to outbreaks of poultry livestock infections and diseases, which could adversely affect our business operations and financial performance

Outbreaks of poultry livestock infections and diseases at our Bidor Integrated Farm could adversely affect our business operations and financial performance. Examples of contagious poultry livestock infections and diseases are Avian Influenza, Newcastle disease and infectious bronchitis, which could cause sickness or death of poultry. If our layer chickens are infected with any of these diseases which lead to sickness, death or inability to lay eggs, our overall egg production may be affected, and we may not be able to meet our customers' orders timely. Further, if such infections are severe and may cause harmful effect to human health, our Bidor Integrated Farm may be subject to quarantine and disinfections, and all our chickens may be forced to be depopulated. Further, we are required to suspend our operations for 42 days after the depopulation of chickens and disinfection of our Bidor Integrated Farm, before we are allowed to recommence our poultry rearing operations. Such business suspension may adversely and materially affect our business operations and financial performance.

Any future outbreak of poultry livestock infections and diseases could result in sickness and death of our layer chickens, the imposition of a quarantine and disinfections, and/or depopulation of infected chickens. In the event that any of these events occurs, it would not only adversely impact our business operations but may also create adverse publicity which would lead to negative perception by consumers regarding our table eggs. This may in turn, adversely affect the demand for our table eggs and consequently adversely affect our Group's financial performance.

Please refer to Section 9.1.1 for further details.

(ii) We may not be able to sustain our financial performance and profitability following the removal of price controls and subsidies of ordinary eggs by the Government

As announced by the Ministry of Agriculture and Food Security on 30 April 2025, the egg subsidies for each grade A, grade B and grade C ordinary eggs were reduced from RM0.10 to RM0.05 per egg and the price control was removed, effective 1 May 2025. Subsequently, effective 1 August 2025, the Government fully removed the egg subsidy.

For FYE 2022 to 2024, we recorded PAT of RM14.5 million, RM34.2 million and RM40.7 million respectively. However, a substantial portion of the PAT was attributed to egg subsidies received from the Government. Assuming that the egg subsidies for FYE 2022 to 2024 are removed but price control retained, our PAT would be adjusted to RM9.0 million, RM18.3 million and RM16.4 million respectively.

In addition, as the price control was also removed beginning 1 May 2025, we are exposed to the risk of fluctuations in egg prices, which generally follow market rates based on supply and demand conditions. While the removal of price control gives us the flexibility to price our eggs by taking into consideration our costs, we are simultaneously exposed to higher competitive pressure in the market. In the event of market oversupply during certain period which results in a decline in market prices of eggs, we would need to price our eggs accordingly in order to maintain our competitive edge. We may experience a lower GP margin in such circumstances; or in a worse scenario where the decline in market prices is substantial that it exceeds our cost of sales, we may suffer from losses, and it may eventually negatively impact our financial performance.

Please refer to Section 9.1.2 for further details.

(iii) We may be subjected to price fluctuations and unavailability or shortages of raw materials and ingredients

The purchase of raw materials and ingredients for the production of our in-house poultry feed represented 85.9%, 84.4% and 82.3% of our Group's total purchases for FYE 2022 to 2024 respectively. The raw materials and ingredients (e.g. maize, soybean meal, wheat, pollard and sunflower meal) used in the production of our in-house poultry feed are commodity products, whose price and availability are influenced by various factors, including production levels, weather conditions, transportation and storage costs, epidemic diseases, global demand for such materials and fluctuations in USD. Local corn prices have historically adjusted to global corn prices. Any significant change in the availability or significant increase in the price of raw materials could materially affect our cost of sales, our gross profit margin and, consequently, our profitability.

Following the removal of price controls effective 1 May 2025 and if we opt to increase the price of our table eggs due to increase in costs, we may lose our competitive edge to other industry players if other industry players do not increase their product pricing despite being equally affected by the price fluctuations of raw materials and ingredients. Please refer to Section 12.11 for the effects of price fluctuations of raw materials and ingredients on our financial performance for FYE 2022 to 2024.

Save for the global supply chain disruption during the COVID-19 pandemic and Ukraine-Russia war which resulted in minor disruptions in the sourcing of raw materials and ingredients, we have not encountered any unavailability or shortages of raw materials and ingredients for FYE 2022 to 2024 and up to LPD. Any sudden unavailability or shortages of raw materials and ingredients may affect our business operations as there is no assurance that we will be able to obtain raw materials and ingredients from new suppliers in a timely manner or at reasonably acceptable prices.

Please refer to Section 9.1.3 for further details.

(iv) We are indirectly exposed to foreign exchange fluctuation risks which may impact the profitability of our Group

For FYE 2022 to 2024, our major supplies were raw materials and ingredients sourced for the production of poultry feed, constituting 85.9%, 84.4% and 82.3% to our total purchases of supplies. The key raw materials and ingredients used for the production of poultry feed (e.g. maize, soybean meal, wheat, pollard and sunflower meal) are generally imported by our local suppliers from several key producing countries for these raw materials and ingredients, which include Argentina and Ukraine. As these commodities are quoted in USD in the world market, any fluctuation in the currency will have an impact on the cost of procurement of these raw materials. As such, we are indirectly subject to the risk of foreign exchange fluctuation.

Our GP margin might decline, potentially harming our financial performance as we may not be able to promptly pass the increased costs to our customers through product pricing adjustment in view of competitive pressures.

Our exposure to foreign exchange fluctuation from revenue is minimal, as only 3.7%, 1.1% and 0.8% of our revenue for FYE 2022 to 2024 were generated from sales to Hong Kong customers, which are denominated in USD. Hence, our exposure to foreign exchange fluctuation from revenue is minimal.

Please refer to Section 9.1.9 for further details.

(v) The fair value of our biological assets is subject to fluctuations

Our Group's biological assets are our layer chickens that comprise pullets and mature hens (also known as layers). The fair value of our biological assets is determined using discounted cash flow model based on expected cash inflow from agriculture produce (which depends on, amongst others, the expected number of eggs produced and projected eggs selling prices) less expected cost to be incurred over the remaining life of pullets and layers (which includes feed consumption rate and feed costs) and contributory assets charges for the land and farm houses owned by our Group. Further, the key assumptions used for the fair value assessment of the biological assets for FYE 2022 to 2024 are the estimated average eggs' selling prices and estimated feed costs as at end of financial year, which are disclosed in Note (8) of the Accountant Report. Any changes in the factors considered in the accounting policy and valuation process of our biological assets and the assumptions used may impact the fair value of our biological assets, and any changes to the fair value are recognised in profit or loss. For FYE 2022 to 2024, the changes in the fair value of our biological assets recognised in profit or loss amounted to RM2.5 million, RM17.4 million and RM5.8 million, respectively.

Please refer to Section 9.1.10 and Note (8) of the Accountants' Report as set out in Section 13 for the further details, including the sensitivity analysis of the possible changes in the key assumptions on the fair value of our biological assets.

12.2.2 Review of our results of operations

(a) Revenue

Analysis of revenue by product

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Table eggs[1]	**125,412**	**93.5**	**139,232**	**95.2**	**143,798**	**95.0**
Ordinary eggs	125,412	93.5	130,378	89.2	137,539	90.9
- Unbranded[2]	107,398	80.0	112,564	77.0	121,011	80.0
- Customers' brand	11,849	8.9	8,564	5.9	10,472	6.9
- Own brand	6,165	4.6	9,250	6.3	6,056	4.0
Premium eggs[3]	-	-	8,854	6.0	6,259	4.1
Others[4]	**8,766**	**6.5**	**7,019**	**4.8**	**7,579**	**5.0**
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**

Notes:

(1) Our table eggs revenues is mainly derived from the grade of eggs as below:

	FYE 2022	FYE 2023	FYE 2024
	%	%	%
Grade A	18.7	17.9	16.5
Grade B	35.5	32.5	33.8
Grade C	29.8	32.4	32.2
Others (Grade AA, D, E & F)	16.0	17.2	17.5

(2) Includes soiled, spotted, cracked or broken eggs that are sold in the form of liquid eggs in bags.

(3) Comprise premium eggs labeled under our house-brand 'QPlus' and under a Hong Kong customer's brand. Sale of premium eggs under the Hong Kong customer's brand amounted to RM1.0 million for both FYE 2023 and 2024.

(4) Comprises revenue generated from the sale of spent chickens, raw manure, raw materials, scrap materials and handling charges.

Analysis of revenue by geographical region[1]

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	**129,240**	**96.3**	**144,572**	**98.9**	**150,191**	**99.2**
Central[2]	78,655	58.6	91,708	62.7	103,330	68.2
Northern[3]	42,975	32.0	47,964	32.8	39,495	26.1
Southern[4]	6,461	4.8	4,157	2.9	6,462	4.3
Eastern[5]	1,149	0.9	743	0.5	904	0.6
Overseas	**4,938**	**3.7**	**1,679**	**1.1**	**1,186**	**0.8**
Hong Kong	4,938	3.7	1,679	1.1	1,186	0.8
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**

Notes:

(1) The classification of our revenue by geographical region is based on the locations of our customers.

(2) Central comprises Selangor, Kuala Lumpur and Negeri Sembilan.

(3) Northern comprises Penang, Perak, Perlis and Kedah.

(4) Southern comprises Melaka and Johor.

(5) Eastern comprises Pahang, Terengganu and Kelantan.

Analysis of average selling price for table eggs

	FYE 2022	FYE 2023	FYE 2024
Table eggs			
Volume sold (eggs)	**351,363,605**	**365,879,264**	**394,860,539**
- ordinary eggs	351,363,605	351,034,239	384,475,599
- premium eggs	-	14,845,025	10,384,940
Average selling price (RM/egg)(1)	**0.36**	**0.38**	**0.36**
- ordinary eggs(2)	0.36	0.37	0.36
- premium eggs(2)	-	0.60	0.60

Notes:

(1) The average selling prices were computed based on the revenue from sales of table eggs divided by the sales volume of eggs for each financial year.

(2) The average selling prices were computed based on the revenue from sales of ordinary eggs or premium eggs divided by the sales volume of ordinary eggs or premium eggs for each financial year.

Comparison between FYE 2022 and FYE 2023

Our revenue increased by RM12.1 million or 9.0% to RM146.3 million for FYE 2023 (FYE 2022: RM134.2 million), mainly attributable to the increase in revenue from the sale of table eggs by RM13.8 million or 11.0% to RM139.2 million for FYE 2023 (FYE 2022: RM125.4 million) due to the reasons as explained below.

The sale of table eggs segment was our primary revenue contributor, which recorded RM139.2 million or 95.2% of our total revenue for FYE 2023 (FYE 2022: RM125.4 million or 93.5%) which was primarily contributed by the sales of Grade B and C table eggs, which collectively contributed 64.9% of our total revenue for the sale of table eggs segment for FYE 2023 (FYE 2022: 65.3%). Our Group launched and began to sell premium eggs during FYE 2023.

The local market was our main revenue contributor, which recorded RM144.6 million or 98.9% of our total revenue for FYE 2023 (FYE 2022: RM129.2 million or 96.3% of total revenue). However, our revenue from the overseas market has decreased by RM3.2 million or 65.3% to RM1.7 million (FYE 2022: RM4.9 million) mainly due to lower revenue from the sale of ordinary eggs to a Hong Kong wholesaler customer, which decreased by RM4.2 million as the said customer sourced some of its supplies from other suppliers due to our uncompetitive selling prices. Such a decrease was partially offset by the revenue from the sale of premium eggs of RM1.0 million to a new Hong Kong wholesaler customer.

Table eggs

Our revenue from the sale of table eggs increased by RM13.8 million or 11.0% to RM139.2 million for FYE 2023 (FYE 2022 RM125.4 million). The increase in revenue was primarily attributable to higher sales volume for table eggs for FYE 2023, which increased to 365,879,264 eggs in FYE 2023 (FYE 2022: 351,363,605 eggs) attributable to higher egg production as a result of the increase in average monthly number of mature hens to 1,145,658 hens for FYE 2023 (FYE 2022: 1,112,564 hens).

In addition, the increase in revenue from the sale of table eggs was also attributable to the increase in the average selling prices of table eggs to RM0.38 per egg for FYE 2023 (FYE 2022: RM0.36 per egg), contributed mainly by higher sales of own brand ordinary eggs as well as revenue from the sale of premium eggs which was launched during FYE 2023, generally having a higher selling price than unbranded and customers' brand ordinary eggs.

Our Group launched the sale of premium eggs during FYE 2023, which recorded revenue of RM8.9 million, contributed mainly by retailer and wholesaler customers of RM8.7 million.
The revenue from the sale of ordinary eggs increased by RM5.0 million or 4.0% to RM130.4 million for FYE 2023 (FYE 2022: RM125.4 million), primarily driven by the following:

(a) higher revenue from the sale of unbranded ordinary eggs by RM5.2 million, mainly attributable to higher demand from retailer customers; and

(b) higher revenue from the sale of own-brand ordinary eggs by RM3.1 million, mainly attributable to higher demand from retailer and wholesaler customers.

However, the above increases were partially offset by lower revenue from the sale of customers' brand ordinary eggs of RM3.2 million, mainly due to lower demand from retailer customers.

Others

Revenue from the others segment decreased by RM1.8 million or 20.5% to RM7.0 million for FYE 2023 (FYE 2022: RM8.8 million), mainly due to the sale of raw materials of RM3.8 million upon request from a local wholesaler customer in FYE 2022. Such a decrease was partially narrowed by the increase in revenue from the sale of spent chicken of RM1.6 million, mainly attributable to the increase in sales volume for spent chicken from 1,239,346 kg for FYE 2022 to 1,546,460 kg for FYE 2023 as well as increase in average selling prices for spent chicken from RM2.5 per kg for FYE 2022 to RM3.1 per kg for FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our revenue further improved by RM5.1 million or 3.5% to RM151.4 million for FYE 2024 (FYE 2023: RM146.3 million), mainly attributable to the increase in revenue from the sale of table eggs by RM4.6 million or 3.3% to RM143.8 million for FYE 2024 (FYE 2023: RM139.2 million), due to the reasons as explained below.

Our revenue from the sale of table eggs has remained our largest revenue contributor, which recorded RM143.8 million or 95.0% of our total revenue for FYE 2024 (FYE 2023: RM139.2 million or 95.2%) which was primarily contributed by the sales of Grade B and C table eggs, which collectively contributed 66.0% of our total revenue for the sale of table eggs segment for FYE 2024 (FYE 2023: 64.9%).

The local market was still the primary revenue contributor for FYE 2024, which recorded RM150.2 million or 99.2% of our total revenue (FYE 2023: RM144.6 million or 98.9%). The decrease in revenue from the Hong Kong market of RM0.5 million or 29.4% to RM1.2 million for FYE 2024 (FYE 2023: RM1.7 million) was mainly attributable to absence of revenue from the sale of ordinary eggs to a Hong Kong customer due to our uncompetitive selling prices.

Table eggs

Revenue from the sale of table eggs increased by RM4.6 million or 3.3% to RM143.8 million for FYE 2024 (FYE 2023: RM139.2 million). The increase was primarily due to higher sales volume for table eggs which increased to 394,860,539 eggs in FYE 2024 (FYE 2023: 365,879,264 eggs) attributable to higher production of eggs for FYE 2024 resulting from the increase in monthly average number of mature hens to 1,211,903 hens for FYE 2024 (FYE 2023: 1,145,658 hens). However, we recorded lower average selling prices for table eggs of RM0.36 per egg for FYE 2024 (FYE 2023: RM0.38 per egg), mainly due to the shift in our customers' demands from premium eggs and own-brand ordinary eggs to unbranded ordinary eggs during FYE 2024, which generally have lower selling prices as compared to premium eggs and own brand ordinary eggs. Revenue from the sale of ordinary eggs increased by RM7.1 million or 5.4% to RM137.5 million for FYE 2024 (FYE 2023:RM130.4 million), primarily driven by the following:

(a) higher revenue from the sale of unbranded ordinary eggs by RM8.4 million, mainly due to higher demand from retailer and wholesaler customers; and

(b) higher revenue from the sale of customers' brand ordinary eggs by RM1.9 million, mainly due to higher demand from retailer customers.

However, the above increases were partially offset by lower revenue from the sale of own-brand ordinary eggs of RM3.2 million, mainly due to lower demand from retailer and wholesaler customers.

Revenue from the sale of premium eggs decreased by RM2.6 million or 29.2% to RM6.3 million for FYE 2024 (FYE 2023: RM8.9 million), mainly due to lower demand from retailer and wholesaler customers.

Others

Revenue from the others segment increased by RM0.6 million or 8.6% to RM7.6 million for FYE 2024 (FYE 2023: RM7.0 million). The said increase was mainly due to the following:

(a) revenue from the sale of raw materials of RM1.7 million upon request from a local wholesaler (FYE 2023: RM Nil); and

(b) revenue from the sale of raw manure increased by RM0.7 million, mainly contributed by higher demand from 1 local retailer and 2 local wholesalers, as well as an increase in the number of layers sold in FYE 2024.

The above increases were partially offset by the decrease in revenue from the sale of spent chicken of RM1.7 million, which was mainly attributable to the decrease in average selling prices from RM3.1 per kg for FYE 2023 to RM2.0 per kg for FYE 2024.

(b) Cost of sales, GP and GP margin

Analysis of cost of sales by cost component

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Cost of materials and livestock[1]	95,165	85.9	86,049	81.9	70,797	76.5
Staff costs and related expenses	5,497	5.0	7,063	6.7	8,441	9.1
Upkeep of farm machinery	2,647	2.4	4,981	4.7	5,568	6.0
Utilities	2,821	2.5	3,146	3.0	3,289	3.6
Depreciation[2]	1,919	1.7	1,541	1.5	1,707	1.8
Transportation and forwarding costs[3]	1,450	1.3	1,409	1.3	1,620	1.8
Others[4]	1,306	1.2	936	0.9	1,127	1.2
	110,805	**100.0**	**105,125**	**100.0**	**92,549**	**100.0**

Notes:

(1) Comprises costs of poultry feeds, vaccines and medications, packaging materials and day-old chicks offset with the government subsidies received in relation to the sales of eggs. The government subsidies received for FYE 2022, 2023 and 2024 was RM7.3 million, RM21.0 million and RM32.1 million respectively.

(2) Comprises depreciation of property, plant and equipment and right-of-use assets.

(3) Comprises transportation and forwarding costs incurred for the purchases of goods.

(4) Comprises mainly penalty expenses incurred in FYE 2022 in relation to farm building structure not in accordance with the building plan (the said penalty was paid in December 2021), fuel oil for machinery use and laboratory charges.

Analysis of cost of sales and adjusted cost of sales by products

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Table eggs	106,657	96.3	104,144	99.1	90,003	97.2
Others	4,148	3.7	981	0.9	2,546	2.8
Cost of sales	**110,805**	**100.0**	**105,125**	**100.0**	**92,549**	**100.0**
Cost of sales if excluding government subsidies						
Table eggs[1]	113,911	96.5	125,115	99.2	122,082	98.0
Others	4,148	3.5	981	0.8	2,546	2.0
Adjusted cost of sales	**118,059**	**100.0**	**126,096**	**100.0**	**124,628**	**100.0**

Note:

(1) Being adjusted cost of sales of table eggs if government subsidies are removed but price control retained.

Analysis of GP and GP margin and adjusted GP and GP margin by products

	FYE 2022		FYE 2023		FYE 2024	
	GP	GP margin	GP	GP margin	GP	GP margin
	RM'000	%	RM'000	%	RM'000	%
Table eggs	18,755	15.0	35,088	25.2	53,795	37.4
Others	4,618	52.7	6,038	86.0	5,033	66.4
GP and GP margin	**23,373**	**17.4**	**41,126**	**28.1**	**58,828**	**38.9**
GP and GP margin if excluding government subsidies						
Table eggs[1]	11,501	9.2	14,117	10.1	21,716	15.1
Others	4,618	52.7	6,038	86.0	5,033	66.4
Adjusted GP and GP margin	**16,119**	**12.0**	**20,155**	**13.8**	**26,749**	**17.7**

Note:

(1) Being adjusted GP and GP margin of table eggs if government subsidies are removed but price control is retained.

Comparison between FYE 2022 and FYE 2023

Our cost of sales decreased by RM5.7 million or 5.1% to RM105.1 million for FYE 2023 (FYE 2022: RM110.8 million) despite our revenue increased by 9.0%, mainly attributable to the decrease in the cost of materials and livestock of RM9.2 million or 9.7% to RM86.0 million for FYE 2023 (FYE 2022: RM95.2 million), primarily due to increase in government subsidies received of RM13.7 million or 187.7% to RM21.0 million for FYE 2023 (FYE 2022: RM7.3 million), which increased in tandem with our revenue growth. The increase in the following costs narrowed the decrease in the total cost of materials and livestock:

(i) the upkeep of farm machinery increased by RM2.4 million or 92.3% to RM5.0 million for FYE 2023 (FYE 2022: RM2.6 million), mainly due to higher repair and replacement costs incurred for egg grading machinery and farm equipment; and

(ii) an increase in our staff costs and related expenses of RM1.6 million or 29.1% to RM7.1 million for FYE 2023 (FYE 2022: RM5.5 million) was mainly attributable to higher salaries and allowances paid to foreign workers primarily resulting from the increase in foreign workers headcount from 160 foreign workers as at the end of FYE 2022 to 205 foreign workers as at the end of FYE 2023 and the full-year impact from the increase in the basic salaries from RM1,200 to RM1,500 in compliance with the minimum wages requirements since May 2022.

Accordingly, our GP increased by RM17.7 million or 75.6% to RM41.1 million for FYE 2023 (FYE 2022: RM23.4 million) and our overall GP margin has increased from 17.4% for FYE 2022 to 28.1% for FYE 2023.

If excluding the increase in government subsidies, our cost of material and livestock increased by RM4.6 million for FYE 2023, in tandem with the increase in our monthly average number of mature hens, as explained in Section 12.2.2(a). After excluding the government subsidies received, our adjusted GP increased by RM4.1 million or 25.5% to RM20.2 million for FYE 2023 (FYE 2022: RM16.1 million) and our overall adjusted

GP margin increased from 12.0% for FYE 2022 to 13.8% for FYE 2023. This was also mainly attributable to the higher GP and GP margin recorded from the sale of table eggs for FYE 2023 as explained below.

Table eggs

Although our revenue for the sale of table eggs increased by 11.0%, our cost of sales for the sale of table eggs decreased by RM2.6 million or 2.4% to RM104.1 million for FYE 2023 (FYE 2022: RM106.7 million). This was mainly due to the lower total cost of materials and livestock of FYE 2023, as a result of the increase in government subsidies received in FYE 2023, which was partially offset by the increase in our upkeep of farm machinery as well as staff costs and related expenses, as explained above.

Correspondingly, our GP for the sale of table eggs has increased by RM16.3 million or 86.7% to RM35.1 million for FYE 2023 (FYE 2022: RM18.8 million), and our GP margin increased from 15.0% for FYE 2022 to 25.2% for FYE 2023.

If excluding the government subsidies received, our cost of sales for the sale of table eggs increased by RM11.2 million or 9.8% to RM125.1 million for FYE 2023 (FYE 2022: RM113.9 million), which increased in tandem with our revenue growth. Our adjusted GP for the sale of table eggs increased by RM2.6 million or 22.6% to RM14.1 million for FYE 2023 (FYE 2022: RM11.5 million), and our adjusted GP margin increased from 9.2% for FYE 2022 to 10.1% for FYE 2023. These were attributable to higher sales volume and the increase in average selling prices for table eggs for FYE 2023, as explained in Section 12.2.2(a).

Others

Our cost of sales from the sale of others decreased by RM3.1 million or 75.6% to RM1.0 million for FYE 2023 (FYE 2022: RM4.1 million), mainly due to the absence of the material cost incurred for the sale of raw materials in FYE 2022. Although our revenue from the sale of others decreased by 20.5% for FYE 2023, our GP for the sale of others increased by RM1.4 million or 30.4% to RM6.0 million for FYE 2023 (FYE 2022: RM4.6 million), and our GP margin increased from 52.7% for FYE 2022 to 86.0% for FYE 2023 mainly due to the higher sales volume for spent chicken sold as well as increase in average selling prices for spent chickens for FYE 2023 as explained in Section 12.2.2(a). In addition, the lower GP margin for FYE 2022 was primarily attributable to the sale of raw materials to a local wholesaler customer upon request in FYE 2022 which yielded a lower GP margin compared to sale of spent chicken.

Comparison between FYE 2023 and FYE 2024

Our cost of sales decreased by RM12.6 million or 12.0% to RM92.5 million for FYE 2024 (FYE 2023: RM105.1 million) despite our revenue grew by 3.5%, mainly attributable to the decrease in the cost of materials and livestock of RM15.3 million or 17.8% to RM70.8 million for FYE 2024 (FYE 2023: RM86.1 million), primarily due to an increase in government subsidies received of RM11.1 million or 52.9% to RM32.1 million for FYE 2024 (FYE 2023: RM21.0 million), which increased in tandem with our revenue growth. The decrease in the cost of materials and livestock was partially offset by the increase in staff costs and related expenses of RM1.3 million or 18.3% to RM8.4 million for FYE 2024 (FYE 2023: RM7.1 million), mainly due to higher salaries and allowances paid to foreign workers primarily resulting from the increase in foreign workers headcount from 205 foreign workers as at the end of FYE 2023 to 251 foreign workers as at the end of FYE 2024.

Our GP increased by RM17.7 million or 43.1% to RM58.8 million for FYE 2024 (FYE 2023: RM41.1 million), while our overall GP margin has increased from 28.1% for FYE 2023 to 38.9% for FYE 2024.

If excluding the increase in government subsidies, our cost of material and livestock increased by RM4.1 million for FYE 2024, which was growth in tandem with the increase in our monthly average number of mature hens, as explained in Section 12.2.2(a). After excluding the government subsidies received, our adjusted GP increased by RM6.5 million or 32.2% to RM26.7 million for FYE 2024 (FYE 2023: RM20.2 million) and our overall adjusted GP margin increased from 13.8% for FYE 2023 to 17.7% for FYE 2024.This was mainly attributable to the higher GP and GP margin recorded from the sale of table eggs for FYE 2024 for the reasons as explained below.

Table eggs

Although our revenue for the sale of table eggs grew by 3.3%, our cost of sales for the sale of table eggs decreased by RM14.1 million or 13.5% to RM90.0 million for FYE 2024 (FYE 2023: RM104.1 million). This was mainly due to the lower total cost of materials and livestock of FYE 2024 as a result of increase in government subsidies received in FYE 2024 and the normalisation of market conditions as explained in Section 9.1.3, which was partially offset by the increase in our staff costs and related expenses, as explained above. If excluding the government subsidies received, our cost of sales for the sale of table eggs decreased by RM3.0 million or 2.4% to RM122.1 million for FYE 2024 (FYE 2023: RM125.1 million).

Correspondingly, our GP for the sale of table eggs has increased by RM18.7 million or 53.3% to RM53.8 million for FYE 2024 (FYE 2023: RM35.1 million), and our GP margin increased from 25.2% for FYE 2023 to 37.4% for FYE 2024. These were attributable to higher revenue recorded for FYE 2024 as explained in Section 12.2.2(a), lower total cost of materials and livestock of FYE 2024 as the market conditions normalised in FYE 2024, as explained above.

Our adjusted GP for the sale of table eggs has increased by RM7.6 million or 53.9% to RM21.7 million for FYE 2024 (FYE 2023: RM14.1 million), and our adjusted GP margin increased from 10.1% for FYE 2023 to 15.1% for FYE 2024. This was also attributable to the higher GP and GP margin as explained above.

Others

Our cost of sales for the sale of others increased by RM1.5 million or 150.0% to RM2.5 million for FYE 2024 (FYE 2023: RM1.0 million), which increased at a rate higher than our revenue growth rate of 8.6%. This was mainly due to material costs incurred for selling raw materials to a local wholesaler upon request in FYE 2024 (FYE 2023: RM Nil), which yielded a lower GP margin than the sale of spent chicken. Hence, our GP for the sale of others decreased by RM1.0 million or 16.7% to RM5.0 million for FYE 2024 (FYE 2023: RM6.0 million), and our GP margin decreased from 86.0% for FYE 2023 to 66.4% for FYE 2024. In addition, the lower GP margin was also due to the decrease in average selling prices per kg for spent chicken during FYE 2024 as explained in Section 12.2.2(a), which was partially offset by lower transportation costs incurred for the sale of others as our customers collected their orders by their own transportation.

(c) Other income

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Gain on change in fair value of biological assets[1]	2,525	63.0	17,417	94.2	5,763	68.3
Gain on disposal of property, plant and equipment	107	2.7	337	1.8	1,537	18.2
Net income from selling fresh fruit bunches[2]	916	22.9	398	2.2	521	6.2
Realised gain on foreign exchange	-	-	-	-	319	3.8
Rental income[3]	188	4.7	171	0.9	168	2.0
Gain on disposal of right-of-use assets	158	3.9	-	-	-	-
Others[4]	113	2.8	171	0.9	125	1.5
	4,007	**100.0**	**18,494**	**100.0**	**8,433**	**100.0**

Notes:

(1) The fair value of our biological assets, which comprise layer chickens, were derived using the discounted cash flow model and inputs from the management's estimation, including 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 layer chickens.

(2) Comprises net income from selling fresh fruit bunches after accounting for the direct expenses incurred on our agriculture lands from which the fresh fruit bunches are harvested (as disclosed under Section 6.9.1 which are currently oil palm estates).

(3) Comprises rental income received from the rental of our investment properties, which comprise shop offices and an apartment.

(4) Comprises mainly dividend income from quoted securities in Malaysia and Hong Kong.

Comparison between FYE 2022 and FYE 2023

Our other income increased by RM14.5 million or 362.5% to RM18.5 million for FYE 2023 (FYE 2022: RM4.0 million), mainly attributable to higher gain on change in fair value of biological assets, which increased by RM14.9 million or 596.0% to RM17.4 million (FYE 2022: RM2.5 million), primarily due to lower projected feed costs, increase in number of layer chickens and increase in projected selling prices for spent chicken in FYE 2023.

The abovementioned increase was partially offset by the decrease in income from sale of fresh fruit bunches of RM0.5 million or 55.6% to RM0.4 million for FYE 2023 (FYE 2022: RM0.9 million), mainly due to lower selling prices for fresh fruit bunches, which moved in tandem with the global crude palm oil prices during FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our other income decreased by RM10.1 million or 54.6% to RM8.4 million for FYE 2024 (FYE 2023: RM18.5 million) mainly due to a lower gain on change in fair value of biological assets recorded for FYE 2024, which decreased by RM11.6 million or 66.7% to RM5.8 million for FYE 2024 (FYE 2023: RM17.4 million), primarily as a result of smaller movement in projected material feed costs and projected selling prices of table eggs from FYE 2023 to 2024 as compared to the period FYE 2022 to 2023.

The abovementioned decrease was partially narrowed by the increase in gain on disposal of property, plant and equipment of RM1.2 million or 400.0% to RM1.5 million for FYE 2024 (FYE 2023: RM0.3 million), mainly for the disposal of 5 pieces of freehold lands where the manure facilities such as manure storage as well as manure collection and drying station are erected thereon, as well as equipment and machinery for the handling of manure to a related party, BL Ong & Sons Ventures in FYE 2024, as detailed in Section 10.1.

(d) Administrative expenses

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Directors' remuneration	5,625	75.5	11,004	81.1	9,885	72.0
Legal and professional fees	138	1.8	346	2.6	916	6.7
Upkeep and maintenance expenses	367	4.9	643	4.7	869	6.3
Depreciation[(1)]	342	4.6	364	2.7	539	3.9
Foreign worker levy and staff-related expenses	280	3.8	496	3.7	449	3.3
Insurance	168	2.3	222	1.6	255	1.9
Entertainment	222	3.0	45	0.3	134	1.0
Others[(2)]	308	4.1	448	3.3	676	4.9
	7,450	**100.0**	**13,568**	**100.0**	**13,723**	**100.0**

Notes:

(1) Comprises depreciation of property, plant and equipment, right-of-use assets and investment properties.

(2) Comprises mainly penalty charges incurred in relation to underestimation of income tax for the year of assessment 2023, fuel and oil expenses, travelling expenses, quit rent and assessment as well as printing and stationery.

Comparison between FYE 2022 and FYE 2023

Our administrative expenses increased by RM6.1 million or 81.3% to RM13.6 million for FYE 2023 (FYE 2022: RM7.5 million), mainly attributable to the following:

(i) increase in directors' remuneration of RM5.4 million or 96.4% to RM11.0 million for FYE 2023 (FYE 2022: RM5.6 million), mainly due to annual salary increment and higher bonuses in line with our business growth;

(ii) increase in upkeep and maintenance expenses of RM0.2 million or 50.0% to RM0.6 million for FYE 2023 (FYE 2022: RM0.4 million), mainly due to higher replacement costs as well as repair and maintenance costs for electrical fittings;

(iii) increase in foreign worker levy and staff-related expenses of RM0.2 million or 66.7% to RM0.5 million for FYE 2023 (FYE 2022: RM0.3 million), mainly due to higher foreign worker levy fees incurred as a result of the increase in foreign worker headcounts from 160 as at the end of FYE 2022 to 205 as at the end of in FYE 2023; and

(iv) increase in legal and professional fees of RM0.2 million or 200.0% to RM0.3 million for FYE 2023 (FYE 2022: RM0.1 million), mainly due to legal fee and stamp duty incurred for the acquisition of leasehold industrial land located in Bidor, Perak during FYE 2023, as detailed in Section 6.9.3(b).

Comparison between FYE 2023 and FYE 2024

Our administrative expenses increased marginally by RM0.1 million or 0.7% to RM13.7 million for FYE 2024 (FYE 2023: RM13.6 million), mainly attributable to the increase in legal and professional fees of RM0.6 million or 200.0% to RM0.9 million for FYE 2024 (FYE 2023: RM0.3 million), mainly due to professional fees incurred for our Listing. Such an increase was partially offset by the lower directors' remuneration for FYE 2024, which decreased by RM1.1 million or 10.0% to RM9.9 million for FYE 2024 (FYE 2023: RM11.0 million), primarily due to the lower bonuses paid in FYE 2024.

(e) Distribution costs

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Transportation and forwarding costs[1]	2,626	99.8	2,415	99.9	2,483	100.0
Others[2]	5	0.2	2	0.1	1	<0.1
	2,631	**100.0**	**2,417**	**100.0**	**2,484**	**100.0**

Notes:

(1) Comprise transportation and forwarding costs incurred for the delivery of goods to customers.

(2) Comprises goods handling charges and advertisement expenses.

Comparison between FYE 2022 and FYE 2023

Our distribution costs decreased by RM0.2 million or 7.7% to RM2.4 million for FYE 2023 (FYE 2022: RM2.6 million), mainly due to the decrease in transportation and forwarding costs of RM0.2 million or 7.7% to RM2.4 million for FYE 2023 (FYE 2022: RM2.6 million), primarily resulting from the lower export forwarding charges incurred in FYE 2023, which decreased in tandem with lower export sales in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our distribution costs for and FYE 2023 and FYE 2024 were fairly consistent.

(f) Finance income

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Fixed deposit interests	1,053	89.8	1,360	75.6	2,380	83.5
Bank interest income	67	5.7	238	13.2	299	10.5
Interest income from long-term investments	-	-	158	8.8	170	6.0
Interest income from short-term investments	53	4.5	43	2.4	-	-
	1,173	**100.0**	**1,799**	**100.0**	**2,849**	**100.0**

Comparison between FYE 2022 and FYE 2023

Our finance income increased by RM0.6 million or 50.0% to RM1.8 million for FYE 2023 (FYE 2022: RM1.2 million) mainly due to the following:

(i) increase in fixed deposits interests of RM0.3 million or 27.3% to RM1.4 million for FYE 2023 (FYE 2022: RM1.1 million) due to higher placement of fixed deposits during FYE 2023;

(ii) interest income from long-term investments of RM0.2 million as a result of the placement of structured deposits with the original maturity exceeding 12 months towards the end of FYE 2022; and

(iii) increase in bank interest income of RM0.1 million or 100.0% to RM0.2 million (FYE 2022: RM0.1 million), mainly due to higher short-term placements with a licensed bank.

Comparison between FYE 2023 and FYE 2024

Our finance income increased by RM1.0 million or 55.6% to RM2.8 million for FYE 2024 (FYE 2023: RM1.8 million), mainly due to the increase in fixed deposit interests of RM1.0 million or 71.4% to RM2.4 million for FYE 2024 (FYE 2023: RM1.4 million). This was mainly due to higher placements of fixed deposits during the second half of FYE 2023.

(g) Finance costs

	Audited					
	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Term loan interests	-	-	-	-	6	31.6
Hire purchase interests	-	-	-	-	12	63.1
Lease liabilities interests	45	100.0	13	100.0	1	5.3
	45	**100.0**	**13**	**100.0**	**19**	**100.0**

Comparison between FYE 2022 and FYE 2023

Our finance costs decreased by RM0.04 million or 80.0% to RM0.01 million for FYE 2023 (FYE 2022: RM0.05 million), mainly attributable to the decrease in lease liabilities interests due to lower outstanding lease liabilities as at the end of FYE 2022, as a result of 2 motor vehicles and 1 farm equipment purchased under lease arrangements were fully repaid during FYE 2022.

Comparison between FYE 2023 and FYE 2024

Our finance costs increased by RM0.01 million or 100.0% to RM0.02 million for FYE 2024 (FYE 2023: RM0.01 million), mainly due to a new term loan drawdown during FYE 2024 for our working capital purposes.

(h) PBT and PBT margin, PAT and PAT margin

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
PBT	18,427	45,421	53,884
PBT margin (%)	13.7	31.1	35.6
PAT	14,545	34,243	40,743
PAT margin (%)	10.8	23.4	26.9
Results after adjusting for government subsidies			
Government subsidies received	7,254	20,971	32,079
Adjusted PBT	11,173	24,450	21,805
Adjusted PAT	9,032	18,305	16,363
Adjusted PBT margin (%)	8.3	16.7	14.4
Adjusted PAT margin (%)	6.7	12.5	10.8
Results after adjusting for government subsidies and fair value gain on biological assets			
Gain on change in fair value of biological assets	2,525	17,417	5,763
Adjusted PBT	8,648	7,033	16,042
Adjusted PAT	7,113	5,068	11,983
Adjusted PBT margin (%)	6.4	4.8	10.6
Adjusted PAT margin (%)	5.3	3.5	7.9

Comparison between FYE 2022 and FYE 2023

We recorded an increase in PBT of RM27.0 million or 146.7% to RM45.4 million for FYE 2023 (FYE 2022: RM18.4 million) while our PBT margin also increased from 13.7% for FYE 2022 to 31.1% for FYE 2023. The increase in PBT and PBT margin was mainly due to higher GP and GP margins, higher other income and higher finance income recorded during FYE 2023 as explained in Sections 12.2.2(b), 12.2.2(c) and 12.2.2(f) respectively. Such increases were partially offset by higher administrative expenses as explained in Section 12.2.2(d) above.

If excluding government subsidies received, our adjusted PBT recorded an increase of RM13.3 million or 118.8% to RM24.5 million for FYE 2023 (FYE 2022: RM11.2 million) while our adjusted PBT margin also increased from 8.3% for FYE 2022 to 16.7% for FYE 2023. The increase in both adjusted PBT and adjusted PBT margin was mainly due to higher adjusted GP and adjusted GP margins, higher other income and higher finance income recorded during FYE 2023 as explained in Sections 12.2.2(b), 12.2.2(c) and 12.2.2(f) respectively. Such increases were partially offset by higher administrative expenses as explained in Section 12.2.2(d) above.

If excluding government subsidies received and gain on change in fair value of biological assets, our adjusted PBT recorded a decrease of RM1.6 million or 18.6% to RM7.0 million for FYE 2023 (FYE 2022: RM8.6 million), while our adjusted PBT margin also decreased from 6.4% for FYE 2022 to 4.8% for FYE 2023. The decrease in both adjusted PBT and adjusted PBT margin was mainly due to lower income from the sale of fresh fruit bunches recorded and higher administrative expenses incurred during FYE 2023, as explained in Sections 12.2.2(c) and 12.2.2(d), respectively.

Our PAT increased by RM19.7 million or 135.9% to RM34.2 million for FYE 2023 (FYE 2022: RM14.5 million) while our PAT margin increased from 10.8% for FYE 2022 to 23.4% for FYE 2023. The increase in PAT and PAT margin was mainly due to higher PBT and PBT margin recorded, as explained above, which was partially offset by the higher tax expenses for FYE 2023, as explained in Section 12.2.2(i) below.

If excluding government subsidies received, our adjusted PAT increased by RM9.3 million or 103.3% to RM18.3 million for FYE 2023 (FYE 2022: RM9.0 million) while our adjusted PAT margin increased from 6.7% for FYE 2022 to 12.5% for FYE 2023. The increase in both adjusted PAT and adjusted PAT margin was mainly due to higher adjusted PBT and adjusted PBT margin recorded, as explained above, which was partially offset by the higher tax expenses for FYE 2023, as explained in Section 12.2.2(i) below.

If excluding government subsidies received and gain on change in fair value of biological assets, our adjusted PAT decreased by RM2.0 million or 28.2% to RM5.1 million for FYE 2023 (FYE 2022: RM7.1 million), while our adjusted PAT margin decreased from 5.3% for FYE 2022 to 3.5% for FYE 2023. The decrease in both adjusted PAT and adjusted PAT margin was mainly due to lower adjusted PBT and adjusted PBT margin, as well as higher tax expenses for FYE 2023, as explained in Section 12.2.2(i) below.

Comparison between FYE 2023 and FYE 2024

We recorded an increase in PBT of RM8.5 million or 18.7% to RM53.9 million for FYE 2024 (FYE 2023: RM45.4 million), while our PBT margin also increased from 31.1% for FYE 2023 to 35.6% for FYE 2024. The increase in PBT and PBT margin was mainly due to higher GP and GP margin recorded and higher finance income recorded during FYE 2024, as explained in Sections 12.2.2(b) and 12.2.2(f) respectively. Such an increase was partially offset by the lower other income recorded during FYE 2024 for the reasons explained in Section 12.2.2(c).

If excluding government subsidies received, our adjusted PBT recorded an decrease in adjusted PBT of RM2.7 million or 11.0% to RM21.8 million for FYE 2024 (FYE 2023: RM24.5 million), while our adjusted PBT margin also decreased from 16.7% for FYE 2023 to 14.4% for FYE 2024. The decrease in both adjusted PBT and adjusted PBT margin was mainly due to lower other income recorded during FYE 2024 for the reasons explained in Section 12.2.2(c).

If excluding government subsidies received and gain on change in fair value of biological assets, our adjusted PBT recorded an increase in adjusted PBT of RM9.0 million or 128.6% to RM16.0 million for FYE 2024 (FYE 2023: RM7.0 million), while our adjusted PBT margin also increased from 4.8% for FYE 2023 to 10.6% for FYE 2024. The increase in both adjusted PBT and adjusted PBT margin was mainly due to higher adjusted GP, adjusted GP margin as explained in Section 12.2.2(b), and gain on disposal of property, plant, and equipment, as explained in Section 12.2.2(c).

Our PAT increased by RM6.5 million or 19.0% to RM40.7 million for FYE 2024 (FYE 2023: RM34.2 million) while our PAT margin increased from 23.4% for FYE 2023 to 26.9% for FYE 2024. The increase in PAT and PAT margin was mainly due to higher PBT and PBT margin recorded as explained above, which was partially offset by the higher tax expenses for FYE 2024, as explained in Section 12.2.2(i) below.

If excluding government subsidies received, our adjusted PAT decreased by RM1.9 million or 10.4% to RM16.4 million for FYE 2024 (FYE 2023: RM18.3 million) while our adjusted PAT margin decreased from 12.5% for FYE 2023 to 10.8% for FYE 2024. The decrease in both adjusted PAT and adjusted PAT margin was mainly due to lower adjusted PBT and adjusted PBT margin recorded as explained above and higher tax expenses for FYE 2024, as explained in Section 12.2.2(i) below.

If excluding government subsidies received and gain on change in fair value of biological assets, our adjusted PAT increased by RM6.9 million or 135.3% to RM12.0 million for FYE 2024 (FYE 2023: RM5.1 million) while our adjusted PAT margin increased from 3.5% for FYE 2023 to 7.9% for FYE 2024. The increase in both adjusted PAT and adjusted PAT margin was mainly due to higher adjusted PBT and adjusted PBT margin recorded as explained above.

(i) Tax expense

	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Tax expense	3,882	11,178	13,141
Effective tax rate (%)	21.1	24.6	24.4
Statutory tax rate (%)	24.0	24.0	24.0

Tax expense comprise the current financial year's income tax payable, deferred tax and any under or overprovision of tax expenses in the prior financial years. The applicable statutory tax rate for FYE 2022 to 2024 is 24.0%.

On 8 July 2021, Hock Soon Poultry Farm, our subsidiary, received a letter from the Malaysian Investment Development Authority approving its Green Investment Tax Allowance ("**GITA**") application under Section 123(3)(b) of the Income Tax Act 1967 and the Malaysian Green Technology And Climate Change Corporation ("**MGTC**") had on 6 July 2022 determining the effective date of the GITA to commence effective from 1 April 2021. The GITA was fully claimed in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our tax expenses increased by RM7.3 million or 187.2% to RM11.2 million for FYE 2023 (FYE 2022: RM3.9 million) mainly due to higher PBT recorded for FYE 2023.

Our effective tax rate of 21.1% for FYE 2022 was lower than the statutory tax rate, mainly attributable to investment tax allowances claimed pertaining to the capital expenditure incurred on a photovoltaic system, which was qualified as green technology assets under the GITA as explained above.

Our effective tax rate of 24.6% for FYE 2023 did not deviate significantly from the statutory tax rate.

Comparison between FYE 2023 and FYE 2024

Our tax expenses increased by RM1.9 million or 17.0% to RM13.1 million for FYE 2024 (FYE 2023: RM11.2 million), mainly attributable to higher PBT recorded for FYE 2024. Our effective tax rate of 24.4% for FYE 2024 did not deviate significantly from the statutory tax rate.

12.2.3 Review of cash flows

The following is a summary of our Group's cash flow for FYE 2022 to 2024:

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Net cash from operating activities	11,791	26,406	34,287
Net cash (used in)/ from investing activities	(13,421)	(25,970)	38,166
Net cash used in financing activities	(775)	(1,298)	(59,689)
Net (decrease)/increase in cash and cash equivalents	**(2,405)**	**(862)**	**12,764**
Cash and cash equivalents at the beginning of the financial year	9,274	6,869	6,007
Cash and cash equivalents at the end of the financial year[(1)]	**6,869**	**6,007**	**18,771**

Notes:

(1) For illustration, if excluding government subsidies and gain on change in fair value of biological assets, our adjusted cash and cash equivalents are as follows:[(a)]

	Audited		
	FYE 2022	**FYE 2023**	**FYE 2024**
	RM'000	**RM'000**	**RM'000**
Net cash from operating activities	11,791	26,406	34,287
Less:			
Government subsidies received, net of tax	(5,513)	(15,938)	(24,380)
Adjusted net cash from operating activities	6,278	10,468	9,907
Net cash (used in)/ from investing activities	(13,421)	(25,970)	38,166
Net cash used in financing activities	(775)	(1,298)	(59,689)
Adjusted net decrease in cash and cash equivalents	**(7,918)**	**(16,800)**	**(11,616)**
Adjusted cash and cash equivalents at the beginning of the financial year	9,274[(b)]	1,356	(15,444)
Adjusted cash and cash equivalents at the end of the financial year	**1,356**	**(15,444)**	**(27,060)**

(a) The gain on fair value adjustment on biological assets is a non-cash item that was added back when calculating operating profit before changes in working capital. Hence, excluding this gain has no impact on the net cash from operating activities.

(b) As our Group started to receive government subsidies since FYE 2022, no adjustment is made on the cash and cash equivalents at the beginning of FYE 2022.

As illustrated above, our Group still recorded adjusted net cash from operating activities for FYE 2022 to 2024 despite excluding the government subsidies and gain on fair value adjustment on biological assets. The negative adjusted cash and cash equivalents at the end of FYE 2023 of RM15.4 million were primarily due to the cash outflow from investing activities, mainly attributable to additional placement of fixed deposits with original maturity exceeding 3 months, amounting to RM19.6 million during FYE 2023. The negative adjusted cash and cash equivalents at the end of FYE 2024 of RM27.1 million were primarily due to the cash outflow from investing activities, mainly attributable to the payments of dividends of RM63.8 million.

FYE 2022

Net cash from operating activities

For FYE 2022, our Group recorded a net cash inflow from operating activities of RM11.8 million. We collected RM143.1 million mainly from the following:

(a) RM134.7 million from our customers;

(b) RM7.3 million of government subsidies received in relation to the sale of table eggs; and

(c) RM1.1 million of other income received, comprised mainly net proceeds from selling fresh fruit bunches from our Group's own land and rental income received.

The above collections were partially offset by cash payments of RM131.3 million, mainly in respect of the following:

(a) payments of RM108.2 million to our suppliers;

(b) payments for staff costs and other operating expenses of RM21.1 million; and

(c) income tax of RM2.0 million paid to the Inland Revenue Board.

Net cash used in investing activities

For FYE 2022, our Group recorded a net cash outflow of RM13.4 million from investing activities, mainly attributable to the net effects of the following:

(a) net placement of fixed deposits with the original maturity exceeding 3 months of RM13.4 million;

(b) cash payments for the purchase of property, plant and equipment of RM2.1 million, which comprise mainly motor vehicles of RM1.2 million and farm machinery equipment of RM0.9 million;

(c) interest received of RM1.2 million, mainly from fixed deposits;

(d) net proceeds from the disposal of quoted securities in Malaysia of RM0.3 million; and

(e) proceeds from the disposal of motor vehicles classified under right-of-use assets of RM0.3 million.

Net cash used in financing activities

For FYE 2022, our Group recorded a net cash outflow of RM0.8 million from financing activities, mainly attributable to:

(a) repayment of lease liabilities of RM0.7 million; and

(b) payments for lease liabilities interests of RM0.04 million.

FYE 2023

Net cash from operating activities

For FYE 2023, our Group recorded a net cash inflow from operating activities of RM26.4 million. We collected RM167.5 million mainly from the following:

(a) RM145.9million from our customers;

(b) RM21.0 million of government subsidies received in relation to the sale of table eggs; and

(c) RM0.6 million of other income received, comprised mainly net proceeds from selling fresh fruit bunches from our Group's own land and rental income received.

The above collections were partially offset by cash payments of RM141.1 million in respect of the following:

(a) payments of RM105.7 million to our suppliers;

(b) payments for staff costs and other operating expenses of RM33.3 million; and

(c) income tax of RM2.1 million paid to the Inland Revenue Board.

Net cash used in investing activities

For FYE 2023, our Group recorded a net cash outflow of RM25.9 million from investing activities, mainly attributable to net effects of the following:

(a) net placement of fixed deposits with the original maturity exceeding 3 months of RM19.6 million;

(b) payments for the purchase of property, plant and equipment of RM7.7 million, which comprise mainly leasehold industrial land located at Lot 11263 Bidor, Perak of RM4.1 million, construction of storage for the manure facilities of RM2.2 million, motor vehicles of RM1.2 million and farm equipment of RM0.2 million;

(c) net investments in quoted securities in Malaysia and Hong Kong of RM1.0 million;

(d) interests received of RM1.8 million, mainly from fixed deposits and banks; and

(e) proceeds from the disposal of motor vehicles classified under property, plant and equipment of RM0.4 million.

Net cash used in financing activities

For FYE 2023, our Group recorded a net cash outflow of RM1.3 million from financing activities, mainly attributable to:

(a) payments of dividends of RM1.0 million; and

(b) repayment of lease liabilities of RM0.3 million.

FYE 2024

Net cash from operating activities

For FYE 2024, our Group recorded a net cash inflow from operating activities of RM34.3 million. We collected RM185.0 million mainly from the following:

(a) RM152.2 million from our customers;

(b) RM32.1 million of government subsidies received in relation to the sale of table eggs; and

(c) RM0.7 million of other income received, comprised mainly net proceeds from selling fresh fruit bunches from our Group's own land and rental income received.

The above collections were partially offset by cash payments of RM150.7 million in respect of the following:

(a) payments of RM103.6 million to our suppliers;

(b) payments for staff costs and other operating expenses of RM34.4 million; and

(c) income tax of RM12.7 million paid to the Inland Revenue Board.

Net cash from investing activities

For FYE 2024, our Group recorded a net cash inflow of RM38.2 million from investing activities, mainly due to the following:

(a) net withdrawal of fixed deposits with the original maturity exceeding 3 months of RM33.9 million for the payment of dividend declared in FYE 2024;

(b) proceeds from the disposal of property, plant and equipment of RM8.9 million, mainly due to the disposal of lands where the manure facilities such as manure storage as well as manure collection and drying station erected thereon, as well as equipment and machinery for the manure facilities to a related party, BL Ong & Sons Ventures in FYE 2024, which comprised of 5 pieces of vacant freehold land, equipment and machinery, as detailed in Section 10.1;

(c) interests received of RM2.8 million, mainly from fixed deposits and banks; and

(d) net proceeds from the disposal of quoted securities in Malaysia and Hong Kong of RM2.1 million.

The above cash inflows were partially offset by the cash payments for the purchase of property, plant and equipment of RM9.7 million, which comprise mainly a light industrial corporate office unit in Kota Damansara, Selangor of RM2.0 million, new chicken coops equipment of RM3.7 million, farm equipment of RM1.4 million, motor vehicles of RM1.2 million and office equipment of RM0.5 million.

Net cash used in financing activities

For FYE 2024, our Group recorded a net cash outflow of RM59.7 million from financing activities, mainly attributable to the net effects of the following:

(a) payments of dividends of RM63.8 million;

(b) repayment of hire purchase creditors of RM0.6 million; and

(c) net drawdown of term loans of RM4.7 million to finance the purchase of a light industrial corporate office unit in Kota Damansara, Selangor and chicken coops equipment as well as for our working capital purposes.

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans and hire purchase creditors.

Our Board confirms that we have sufficient working capital for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) our cash and cash equivalent of approximately RM33.4 million as at LPD;

(b) our expected future cash flows from operations;

(c) our total banking facilities as at LPD of RM28.0 million (excluding lease liabilities and hire purchase facilities), of which RM15.7 million have been utilised; and

(d) our pro forma gearing level of [•] times, based on our pro forma consolidated statement of financial position as at 30 September 2024 after the Acquisition of Hock Soon Poultry Farm, IPO and utilisation of proceeds.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments. At this juncture, we do not foresee any circumstances which will materially affect our liquidity.

12.4 BORROWINGS

All our borrowings are secured, interest bearing and denominated in RM. As at 30 September 2024, our Group's total borrowings (excluding lease liabilities arising from the rental of residential properties) stood at RM5.3 million, details of which are as follows:

	Purposes	Security	Effective interest rate %	Tenure	As at 30 September 2024 RM'000
Current					
Term loans	To finance the purchase of light industrial corporate office unit, farm equipment and for our working capital purposes	(a) Joint and several guarantees by certain directors of our Group; (b) Legal charges over certain freehold land and building of our Group; and (c) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("**SJPP**")	3.8 – 4.1	5 – 20 years	502
Hire purchase creditors	To finance the purchase of motor vehicles	Legal charges over the motor vehicles	2.3 - 2.4	5 years	117
			Total current borrowings		**619**
Non-current					
Term loans	To finance the purchase of light industrial corporate office unit, farm equipment and for working capital purposes	(a) Joint and several guarantees by certain directors of our Group; (b) Legal charges over certain freehold land and building of our Group; and (c) Guarantee by SJPP	3.8 – 4.1	5 – 20 years	4,185
Hire purchase creditors	To finance the purchase of motor vehicles	Legal charges over the motor vehicles	2.3 - 2.4	5 years	470
				Total non-current borrowings	**4,655**
				Total borrowings	**5,274**

Pro forma gearing (times)

After the Acquisition of Hock Soon Poultry Farm but before our Public Issue and utilisation of our IPO proceeds[1]	0.14
After the Acquisition of Hock Soon Poultry Farm, our Public Issue and utilisation of our IPO proceeds[2]	[•]

Notes:

(1) Computed based on our pro forma total equity of RM102.6 million in the pro forma consolidated statement of financial position after the Acquisition Hock Soon Poultry Farm, but before our Public Issue and utilisation of our IPO proceeds.

(2) Computed based on our pro forma total equity of RM[•] million in the pro forma consolidated statement of financial position after the Acquisition Hock Soon Poultry Farm, our Public Issue and utilisation of our IPO proceeds.

Separately, we have also recognised the following lease liabilities on the right-of-use assets arising from rental of residential properties, which are denominated in RM, as follows:

	Purpose	Tenure	As at 30 September 2024
			RM'000
Lease liabilities payable within 1 year	Rental of residential properties[1]	Lease of 2 years, with an option to renew the lease after that date	5

Note:

(1) Our Group has terminated the tenancy agreements with the landlord for the rental of residential properties subsequent to LPD.

We have not defaulted on payments of principal sums and/or interests in respect of any borrowings throughout FYE 2022 to 2024 and up to LPD.

As at LPD, our Group is not in breach of any terms and conditions or covenants associated with credit arrangements or bank loan which can materially affect our financial position and results or business operations, or the investments by holders of our securities. During FYE 2022 to 2024, we did not experience any clawback or reduction in the facilities limit granted to us by our lenders.

In conjunction with our Listing, we have obtained the approval of our financiers to release and/or discharge of the personal guarantees by our Promoters, substantial shareholders and Directors by substituting the same with a corporate guarantee from our Company subject to the completion of our Listing. Until such release and/or discharge is completed, our Promoters, substantial shareholders and Directors will continue to provide their personal guarantees, which shall remain intact as security for the banking facilities and hire purchase facilities extended to our Group.

12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at LPD, save as disclosed in Section 12.4 above, we do not have nor utilise any other financial instruments. All our financial instruments are for our working capital purposes as well as the purchase of property, plant and equipment.

As at 30 September 2024, save for our hire purchase which carry fixed interest rates, other borrowings bear variable interest rates based on the bank's base lending rate plus or minus a rate, which varies depending on the different types of bank facilities.

Our Group does not hedge our exposure to fluctuation in foreign currency exchange rates. As at LPD, we have not entered into any foreign exchange contracts.

12.6 MATERIAL CAPITAL COMMITMENTS

As at LPD, save as disclosed below, we do not have any other material capital commitments:

	To be funded from Public Issue	To be funded internally or via bank borrowings	Total
	RM'000	RM'000	RM'000
Approved and not contracted for:			
Establishment of new poultry farm at Teluk Intan Lands	[•]	[•]	[•]
Farm machinery equipment and hi-tech chicken house	-	5,440	5,440
Expansion of existing feed mill in our Bidor Integrated Farm	-	26,100	26,100
	[•]	**[•]**	**[•]**

We plan to meet our capital commitments through the combination of proceeds from our Public Issue as set out in Section 4.9.1, bank borrowings and/or internally generated funds.

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

As at LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant. There is no proceeding pending or threatened or any fact likely to give rise to any proceeding, which might materially or adversely affect our position or business.

As at LPD, there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our business, financial results or position.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group for FYE 2022 to 2024 are as follows:

	FYE 2022	FYE 2023	FYE 2024
Trade receivables turnover (days)[1]	17	15	14
Trade payables turnover (days)[2]	14	14	16
Inventory turnover (days)[3]	21	20	16
Current ratio (times)[4]	17.4	13.9	11.8
Gearing ratio (times)[5]	<0.1	<0.1	<0.1

Notes:

(1) Computed based on our average trade receivables and net of allowances for impairment loss as at the financial year-end divided by our revenue for the respective financial years, multiplied by 365/ 366 days for each financial year.

(2) Computed based on our average trade payables as at the financial year-end divided by our cost of sales (excluding government subsidies received) for the respective financial years, multiplied by 365/ 366 days for each financial year.

(3) Computed based on our inventory as at the financial year-end divided by our cost of sales (excluding government subsidies received) for the respective financial years, multiplied by 365/ 366 days for each financial year.

(4) Computed based on our current assets divided by our current liabilities as at the end of each financial year.

(5) Computed based on our total interest-bearing borrowings (including lease liabilities for right-of-use assets) divided by our total equity as at the end of each financial year.

12.8.1 Trade receivables turnover

Our average trade receivables turnover days for FYE 2022 to 2024 are set out below:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Opening trade receivables	6,542	5,774	6,106
Closing trade receivables	5,774	6,106	5,408
Average trade receivables	6,158	5,940	5,757
Revenue	134,178	146,251	151,377
Trade receivables turnover period (days)	17	15	14

The normal credit periods granted by our Group ranged from 7 to 75 days from the date of our invoice.

Our Group's exposure to credit risk arises principally from each customer's individual characteristics. There are no significant changes for FYE 2022 to 2024. Our Group 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, we assess whether any of the trade receivables are credit-impaired based on our policies and processes for managing our credit risk, which are disclosed in Note 26.4 of the Accountants' Report as set out in Section 13.

12. FINANCIAL INFORMATION *(Cont'd)*

Our trade receivables turnover periods for FYE 2022 to 2024 were 17 days, 15 days and 14 days respectively, and are within our trade terms period and were relatively consistent. Hence, our Group is not subject to any significant credit risk, and no impairment losses on trade receivables were recognised for FYE 2022 to 2024.

The ageing analysis of our trade receivables as at 30 September 2024 is as follows:

	Trade receivables as at 30 September 2024		Collection from 1 October 2024 to LPD	Balance trade receivables as at LPD
	RM'000	Percentage of trade receivables	RM'000	RM'000
	(a)	(a)/total of (a)	(b)	(c) = (a)-(b)
Neither past due nor impaired	3,463	64.0	3,463	-
Past due but not impaired:				
- less than 30 days	1,831	33.9	1,831	-
- 31 to 60 days	110	2.0	110	-
- over 60 days	4	0.1	4	-
	1,945	36.0	1,945	-
	5,408	**100.0**	**5,408**	**-**

As at LPD, we have fully collected the outstanding trade receivables balance as at 30 September 2024.

Our Group has not encountered any major disputes with our trade receivables.

12.8.2 Trade payables turnover

Our average trade payables turnover days for FYE 2022 to 2024 are set out below:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Opening trade payables	4,696	4,627	5,026
Closing trade payables	4,627	5,026	5,756
Average trade payables	4,662	4,827	5,391
Cost of sales[(1)]	118,059	126,096	124,628
Trade payables turnover period (days)	14	14	16

Note:

(1) Total cost of sales excludes government subsidies received.

Trade payables comprise amounts outstanding for trade purchases. The credit terms granted to our Group for trade purchases ranged from 30 to 90 days.

Our trade payables turnover periods for FYE 2022 to 2024 were 14 days, 14 days and 16 days respectively, which were relatively consistent and were within the normal credit terms granted by our suppliers.

12. FINANCIAL INFORMATION *(Cont'd)*

The ageing analysis of our trade payables as at 30 September 2024 is as follows:

	Trade payables as at 30 September 2024		Payment from 1 October 2024 to LPD	Balance trade payables as at LPD
	RM'000	Percentage of trade payables	RM'000	RM'000
	(a)	(a)/total of (a)	(b)	(c) = (a)-(b)
Within credit period	3,556	61.8	3,556	-
Exceeding credit period:				
- 1 to 30 days	2,121	36.8	2,121	-
- 31 to 60 days	79	1.4	79	-
- More than 60 days	-	-	-	-
	2,200	37.2	2,200	-
	5,756	**100.0**	**5,756**	**-**

As at LPD, we have fully settled the outstanding trade payables as at 30 September 2024.

As at LPD, we do not have any material disputes in respect of our trade payables, and no material legal proceedings to demand for payment have been initiated by our suppliers against us.

12.8.3 Inventory turnover

Our inventory turnover periods for FYE 2022 to 2024 are set out below:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Opening inventories	5,084	8,737	5,169
Closing inventories[1]	8,737	5,169	5,515
Average inventories	6,911	6,953	5,342
Cost of sales[2]	118,059	126,096	124,628
Inventory turnover period (days)	21	20	16

Notes:

(1) The breakdown of closing inventories for each financial year are as follows:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Raw materials for poultry feed	6,884	3,601	3,237
Vaccines and medication	1,254	919	1,118
Packaging materials	367	366	504
Eggs	232	283	656
	8,737	**5,169**	**5,515**

(2) Total cost of sales excludes government subsidies received.

Our inventories comprise mainly raw materials for poultry feeds, vaccines and medications and packaging materials.

Our inventory turnover periods for FYE 2022 to 2024 were 21 days, 20 days and 16 days respectively.

Our inventory turnover period for FYE 2023 remained relatively consistent at 20 days (FYE 2022: 21 days). The higher inventory turnover period for FYE 2022 and FYE 2023 was mainly attributable to our Group keeping more raw materials inventories resulted from global supply chain disruption during COVID-19 pandemic and the Ukraine-Russia war.

We recorded a lower inventory turnover period of 16 days for FYE 2024 (FYE 2023: 20 days), due to lower purchases of raw materials towards the end of FYE 2024.

Our Group's product-by-product inventory management policy are as follows:

(a) Raw materials for poultry feeds are stored under controlled environmental conditions. Inventory levels are monitored based on consumption trends and shelf life;

(b) Vaccines and medications are sensitive to storage temperature and expiry dates. Inventory is tracked by batch and expiry, and regular reviews are conducted to avoid overstocking and ensure timely usage;

(c) Packaging materials are non-perishable but are reviewed for usability and compatibility with current production requirements; and

(d) Eggs are perishable and subject to strict quality control. Inventory is managed daily to ensure freshness and minimise spoilage. Eggs are rotated on a first-in, first-out (FIFO) basis.

We review our inventories on a product-by-product and ageing basis during the periodic stock count in accordance to our inventory management policy, and we make allowances for damaged, obsolete and slow-moving inventories, when necessary.

We did not have any material damaged, obsolete and slow-moving inventories for FYE 2022 to 2024 and up to LPD.

12.8.4 Current ratio

Our current ratios for FYE 2022 to 2024 are set out below:

	As at 30 September		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Current assets	102,120	136,846	126,766
Current liabilities	5,882	9,852	10,758
Net current assets	**96,238**	**126,994**	**116,008**
Current ratio (times)	17.4	13.9	11.8

Our current ratios range from 11.8 times to 17.4 times for FYE 2022 to 2024. This indicates that our Group can meet our current obligations as our current assets, such as inventories and trade receivables, which can be readily converted into cash, together with our fixed deposits and bank balances, are enough to meet immediate current liabilities.

Our current ratio decreased from 17.4 times as at 30 September 2022 to 13.9 times as at 30 September 2023, mainly due to the following:

(a) our Group recorded current tax liabilities of RM3.5 million as at 30 September 2023 as compared to the tax recoverable of RM1.0 million as at 30 September 2022, mainly due to higher tax expenses recorded for FYE 2023 as a result of higher PBT recorded; and

(b) decrease in inventories of RM3.6 million, mainly due to lower purchases made towards the end of FYE 2023 as compared to 2022;

As at 30 September 2024, our current ratio decreased to 11.8 times (as at 30 September 2023: 13.9 times), mainly due to the following:

(a) decrease in other investments of RM29.4 million, mainly due to the withdrawal of fixed deposits with the original maturity exceeding 3 months during FYE 2024;

(b) increase in trade payables of RM0.7 million, mainly due to higher purchases from a supplier towards the last quarter of FYE 2024;

(c) increase in other payables of RM0.9 million, mainly due to higher accrued expenses mainly in relation to upkeep for farm equipment expenses; and

(d) increase in loans and borrowings of RM0.6 million, mainly due to the drawdown of term loans during FYE 2024 to finance the purchase of a light industrial corporate office unit in Kota Damansara, Selangor and chicken coops equipment as well as for our working capital purposes.

12.8.5 Gearing ratio

Our gearing ratios for FYE 2022 to 2024 are set out below:

	As at 30 September		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Total borrowings[(1)]	291	23	5,288
Total equity	134,205	167,521	145,621
Gearing ratio (times)	<0.1	<0.1	<0.1

Note:

(1) Computed based on our total interest-bearing borrowings (including lease liabilities for right-of-use assets) divided by our total equity as at the end of each financial year.

Our gearing ratio remained stable at less than 0.1 times for FYE 2022 to 2024.

Although our gearing ratio remains less than 0.1 time as at 30 September 2024, our Group's total borrowings increased to RM5.3 million as at 30 September 2024 mainly due to the drawdown of term loans during FYE 2024 to finance the purchase of a light industrial corporate office unit in Kota Damansara, Selangor and chicken coops equipment as well as for our working capital purposes.

12.9 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in government, economic, fiscal or monetary policies or factors moving forward.

12.10 IMPACT OF INFLATION

Our financial performance was not materially affected by inflation during FYE 2022 to 2024. However, there is no assurance that our financial performance will not be adversely affected by inflation moving forward. Any significant increase in our costs of sales in the future may adversely affect our operations and performance if we are unable to pass on the higher costs to our customers through an increase in selling prices.

12.11 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR OPERATIONS

(a) Impact of foreign exchange rates

Our proportions of sales and purchases transactions denominated in local and foreign currencies are as follows:

	FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%
Sales denominated in:						
(i) RM	129,240	96.3	144,572	98.9	150,191	99.2
(ii) HKD	-	-	1,017	0.7	1,186	0.8
(iii) USD	4,938	3.7	662	0.4	-	-
	134,178	**100.0**	**146,251**	**100.0**	**151,377**	**100.0**
Purchases denominated in:						
(i) RM	104,757	98.4	103,984	99.2	102,908	98.7
(ii) USD	1,687	1.6	836	0.8	1,368	1.3
	106,444	**100.0**	**104,820**	**100.0**	**104,276**	**100.0**

We are exposed to transactional currency exposure as 3.7%, 0.4% and Nil of our total revenue were denominated in USD and Nil, 0.7% and 0.8% of our total revenue were denominated in HKD for FYE 2022, 2023 and 2024 respectively. In addition, 1.6%, 0.8% and 1.3% of our purchases were denominated in USD for FYE 2022, 2023 and 2024. Therefore, our GP is directly affected by the foreign currency exchange fluctuations.

For FYE 2022 to 2024, our gains and losses from foreign exchange fluctuations are as follows:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Realised gain on foreign exchange	^	1	319
Unrealised (loss)/gain on foreign exchange	-	-	-
Net gain	^	**1**	**319**

Note:

^ Less than RM1,000.

We currently do not have a formal policy with respect to our foreign exchange transactions. Exposure on foreign exchange is monitored on an ongoing basis, and our Group endeavours to keep the net exposure at an acceptable level.

Our Group does not hedge our exposure to fluctuation in foreign currency exchange rates. As at LPD, we have not entered into any foreign exchange contracts.

(b) Impact of interest rates

The interest coverage ratio measures the number of times a company can make its interest payments with its EBIT. Our interest coverage ratios for FYE 2022 to 2024 are as follows:

	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
EBIT	17,299	43,635	51,054
Finance costs	45	13	19
Interest coverage ratio (times)[(1)]	384.4	3,356.5	2,687.1

Note:

(1) Computed based on our EBIT divided by our finance costs for FYE 2022 to 2024.

Our interest coverage ratios range from 384.4 times to 3,356.5 times during FYE 2022 to 2024, indicating that our Group has been able to generate sufficient profits from operations to meet our interest-serving obligations.

Our financial results for FYE 2022 to 2024 were not materially affected by fluctuations in interest rates.

(c) Impact of commodity prices

The purchase of raw materials and ingredients for the production of our in-house poultry feed represented 85.9%, 84.4%, and 82.3% of our Group's purchases for FYE 2022 to 2024 respectively. Hence, we are exposed to fluctuations in the prices of these raw materials and ingredients, particularly commodity products used in the production of our in-house poultry feed, such as maize, soybean meal, wheat, pollard and sunflower meal. As prices of these commodity are subject to fluctuation due to global supply and demand conditions, geopolitical tensions as well as crop yields, our financial performance may be adversely impacted if we are unable to adjust the price of our table eggs to reflect the increase in costs. Please refer to Section 9.1.3 for the risk of price fluctuations and unavailability or shortages of raw materials and ingredients.

During FYE 2022 to 2024, the fluctuations in commodities prices did not have any material negative impact on our business operations and financial performance. There can be no assurance that our financial performance will not be adversely affected by the impact of commodity prices moving forward. Any significant increase in costs of sales in the future may adversely affect our operations and performance in the event where we are unable to pass on higher costs to our customers through an increase in selling prices. In this regard, it should also be noted that we have enjoyed government subsidies throughout FYE 2022 to 2024 and up to LPD to help us manage our costs in the face of the price ceiling imposed by the government.

12.12 ORDER BOOK

We do not enter into long-term contracts with our customers as our sales are transacted based on purchase orders from our customers on an ongoing basis. Due to the nature of our business, we do not maintain an order book.

12.13 TREND ANALYSIS

As at LPD, our financial performance, position and operations are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties, including fair value adjustments from biological assets and government subsidies that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations, save as disclosed in Sections 7, 8, 9 and 12.2;

(b) material commitments for capital expenditure save as disclosed in Section 12.6;

(c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 7.12 and 9;

(d) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our revenue and/or profit save for those that had been discussed in Sections 12.2 and 12.11; and

(e) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our historical consolidated financial statements not necessarily indicative of the future financial performance and position, save as disclosed in Sections 12.2, 12.9 and 12.11.

Based on the above, our Board is optimistic about the future prospects of our Group given our competitive strengths as set out in Section 7.17, the outlook of the layer poultry industry in Malaysia as set out in the IMR Report in Section 8 and our commitment to implement the business strategies and future plans as set out in Section 7.18.

12.14 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy and the declaration of dividends and other distributions are subject to the discretion of our Board. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors, such as having profits and excess funds, which are not required to be retained to fund our business.

As our Company is an investment holding company, our income and therefore our ability to declare and pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require its financiers' consent as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant. Save for certain restrictive covenants from our credit facilities, which our subsidiaries are subject to, there is no other dividend restriction imposed on our subsidiaries as at LPD.

12. FINANCIAL INFORMATION *(Cont'd)*

Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:

(a) the level of cash and level of indebtedness;

(b) required and expected interest expense, cash flows, profits, return on equity and retained earnings;

(c) our expected results of operations and future level of operations;

(d) our projected levels of capital expenditure and other investment plans;

(e) any restrictive covenants contained in our current and future financing arrangements; and

(f) any material impact of tax laws and regulatory requirements.

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Board and will depend on factors stated above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Subject to the Act, our Company, in a general meeting, may from time to time approve dividends or other distributions. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board. Further, under the Act, our Company may not declare or pay dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(a) our Company is, or would after the payment be unable to pay its liabilities as they become due; or

(b) the realisable value of our Company's assets would thereby be less than its liabilities.

For FYE 2022 to 2024 and up to LPD, the dividends declared and paid are as follows:

	FYE 2022	**FYE 2023**	**FYE 2024**	**1 October 2024 up to LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Dividends declared and paid	-	1,000	63,750	43,000

The above dividends were funded by internally generated cash. The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the gross proceeds from our Public Issue, we believe that we have sufficient cash from operations and bank borrowings to fund our operations and expansion plans.

Further to the above, we have no intention to declare and pay any dividends subsequent to LPD, up to the completion of our Listing.

12.15 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness based on the latest unaudited financial information of our Group as at 31 January 2025 and after adjusting for the effects of the events occurred after 31 January 2025, Acquisition of Hock Soon Poultry Farm and Public Issue including the utilisation of proceeds.

	Unaudited	I	II	III
	As at 31 January 2025	[1]After adjustment of subsequent event	After I and Acquisition of Hock Soon Poultry Farm	After II, Public Issue and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Shareholders' equity/ capitalisation				
Equity attributable to owners of our Company	137,084	124,084	124,084	[•]
Non-controlling interests	33	33	33	33
Total shareholders' equity/ capitalisation	**137,117**	**124,117**	**124,117**	**[•]**
Indebtedness				
Current				
Secured and guaranteed				
Term loans	699	1,164	1,164	1,164
Hire purchase liabilities	108	108	108	108
Unsecured and unguaranteed				
Lease liabilities	9	9	9	9
Non-current				
Secured and guaranteed				
Term loans	5,584	14,558	14,558	14,558
Hire purchase liabilities	409	409	409	409
Unsecured and unguaranteed				
Lease liabilities	3	3	3	3
Total indebtedness	**6,812**	**16,251**	**16,251**	**16,251**
Total capitalisation and indebtedness	**143,929**	**140,368**	**140,368**	**[•]**
Gearing ratio (times)[2]	**0.05**	**0.13**	**0.13**	**[•]**

Notes:

(1) Subsequent events relate to:

(a) payment of dividend amounting to RM13.0 million; and

(b) drawdown of term loan amounting to RM9.4 million.

(2) Computed based on total indebtedness divided by total equity attributable to owners of our Company.

Hock Soon Capital Berhad

(Registration No: 202401049938 (1595782-M))
(Incorporated in Malaysia)

and its subsidiaries

Accountants' Report on the Consolidated Financial Statements

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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Hock Soon Capital Berhad

(Registration No: 202401049938 (1595782-M))
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and its subsidiaries

Consolidated statement of financial position

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Assets				
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
Total non-current assets		45,608,760	50,075,366	43,183,352
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	-	-
Total current assets		126,765,845	136,846,007	102,119,351
Total assets		172,374,605	186,921,373	145,302,703
Equity				
Share capital	13	9,261,000	9,261,000	9,261,000
Reserves		136,330,019	158,259,880	124,944,052
Equity attributable to owners of HSPF		145,591,019	167,520,880	134,205,052
Non-controlling interest		30,000	-	-
Total equity		145,621,019	167,520,880	134,205,052
Liabilities				
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
Total non-current liabilities		15,996,027	9,548,213	5,215,900
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	-
Total current liabilities		10,757,559	9,852,280	5,881,751
Total liabilities		26,753,586	19,400,493	11,097,651
Total equity and liabilities		172,374,605	186,921,373	145,302,703

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

Hock Soon Capital Berhad

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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)
Gross profit		58,828,173	41,126,187	23,372,638
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)
Results from operating activities	18	51,054,139	43,635,256	17,298,941
Finance income	19	2,848,545	1,798,915	1,172,712
Finance cost	20	(18,669)	(13,045)	(44,741)
Profit before tax		53,884,015	45,421,126	18,426,912
Tax expense	21	(13,141,318)	(11,178,202)	(3,882,177)
Profit for the year		40,742,697	34,242,924	14,544,735
Other comprehensive income, net of tax				
Item that will not be reclassified subsequently to profit or loss				
Net change in fair value of equity investments designated at fair value through other comprehensive income	22	1,077,442	72,904	(104,751)
Other comprehensive income / (expense) for the year, net of tax		1,077,442	72,904	(104,751)
Total comprehensive income for the year		41,820,139	34,315,828	14,439,984
Profit and total comprehensive income attributable to:				
Owners of HSPF		41,820,139	34,315,828	14,439,984
Non-controlling interest		-	-	-
		41,820,139	34,315,828	14,439,984
Earnings per ordinary share (RM):				
Basic/Diluted	23	4.45	3.74	1.59

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

Hock Soon Capital Berhad

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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**
At 1 October 2021		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)	-	(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)	-	-	-
At 30 September 2022/1 October 2022		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	-	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
Distributions to owners of HSPF:							
- Dividends to owners of HSPF	24	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Total transactions with owners of HSPF		-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
At 30 September 2023		9,261,000	2,247,753	156,012,127	167,520,880	-	167,520,880

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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**
At 1 October 2023		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
Total comprehensive income for the year		-	1,077,442	40,742,697	41,820,319		41,820,319
Distributions to owners of HSPF:							
- Dividends to owners of HSPF	24	-	-	(63,750,000)	(63,750,000)	-	(63,750,000)
Total transactions with owners of HSPF		-	-	(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
At 30 September 2024		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.

Hock Soon Capital Berhad

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Consolidated statement of cash flows

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Cash flows from operating activities				
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)
Operating profit before changes in working capital		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
Cash generated from operations		46,990,260	28,494,139	13,796,161
Income tax paid		(12,703,229)	(2,088,409)	(2,004,684)
Net cash from operating activities		34,287,031	26,405,730	11,791,477

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Consolidated statement of cash flows (continued)

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Cash flows from investing activities				
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		33,936,658	(19,555,961)	(13,444,961)
Net cash from/(used in) investing activities		38,166,079	(25,970,290)	(13,421,462)
Cash flows from financing activities				
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		4,686,876	-	-
Net cash used in financing activities		(59,688,945)	(1,297,733)	(774,531)
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		6,006,927	6,869,220	9,273,736
Cash and cash equivalents at end of the year	11	18,771,092	6,006,927	6,869,220

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.

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

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

	Lease liabilities RM	Hire purchase RM	Borrowings RM	Total RM
At 1 October 2021	1,020,005	-	-	1,020,005
Interest expenses	44,741	-	-	44,741
Net changes from financing cash flows	(774,531)	-	-	(774,531)
At 30 September 2022/1 October 2022	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
At 30 September 2023/1 October 2023	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
At 30 September 2024	14,383	586,662	4,686,876	5,287,921

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

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*

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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.

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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:

Items	Measurement bases
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

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
Cost							
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
Accumulated depreciation and impairment loss							
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)

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
Accumulated depreciation and impairment loss (continued)							
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
Carrying amounts							
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

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.

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4. Right-of-use assets

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

5. Investment properties

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

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

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
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	15,433	15,387	15,354

5. Investment properties (continued)

5.3 Maturity analysis of operating lease payments

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

5.4 Fair value information

Fair value of investment properties are categorised as follows:

		Level 3	
	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Buildings	6,975,227	8,469,836	8,469,836

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.

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
Non-current				
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
Current				
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

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.

	Fair value at 30 September RM	Dividend income recognised during the year RM
30.09.2024		
QL Resources Berhad	3,344,852	30,971
Rhone Ma Holdings Berhad	809,309	22,504
	4,154,161	53,475
30.09.2023		
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
	5,153,006	155,900
30.09.2022		
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
	4,116,211	107,559

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:

	Fair value at derecognition RM	Cumulative gain on disposal RM	Dividend income recognised during the 2024 RM
30.09.2024			
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
	2,690,787	384,714	65,215

7. Other investments (continued)

7.1 Equity investments designated at fair value through other comprehensive income (continued)

30.09.2022	Fair value at derecognition RM	Cumulative loss on disposal RM	Dividend income recognised during the 2024 RM
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

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
At fair value less cost to sell:			
Livestock	49,094,481	42,277,338	23,492,784
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	5,762,638	17,416,817	2,524,890
At 30 September 2024/2023/2022	49,094,481	42,277,338	23,492,784

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).

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.	- Estimated liveability rate of livestock - Estimated productivity rate of layers - Estimated price of agricultural produce - Estimated cost of feed consumption, vaccination and other overheads - Discount rate	The estimated fair value would increase/(decrease) if: - The estimated liveability rate of livestock were higher/(lower) - The estimated productivity rate of layers were higher/(lower) - The estimated price of agricultural produce were higher/(lower) - The estimated costs of feeds consumption, vaccination and other overheads were lower/(higher) - The discount rate was lower/(higher)

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)	1,275	1,712	1,904

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%	-10.85%	-15.26%	-16.16%
Estimated feed costs (per MT)			
- Increased by 5%	-4.82%	-9.08%	-10.55%
- Decreased by 5%	+4.82%	+9.04%	+10.55%

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	656,025	282,772	232,274
	5,515,296	5,168,829	8,736,896
Recognised in profit or loss:			
Inventories recognised as cost of sales	67,630,139	83,921,650	92,915,748

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.

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10. Trade and other receivables

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

11. Cash and cash equivalents

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

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.

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Investment property	5	257,920	-	-

13. Capital and reserves

13.1 Share capital

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

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

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:

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

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

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15. Trade and other payables

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

16. Loans and borrowings

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

16.1 Hire purchase creditors

Hire purchase creditors were payable as follows:

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

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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

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

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.

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18. Results from operating activities

	Note	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Result from operating activities is arrived at after charging/ (crediting):				
Auditors' remunerations				
Audit fees:				
- KPMG PLT		85,000	55,000	50,000
Non-audit fees:				
- KPMG PLT		31,200	15,200	15,400
Material expenses/(income)				
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		(167,552)	(171,336)	(187,572)

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.

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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	2,848,545	1,798,915	1,172,712

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	6,222	-	-
	18,669	13,045	44,741

21. Tax expense

Recognised in profit or loss

	30.09.2024 RM	30.09.2023 RM	30.09.2022 RM
Current tax expense			
- Current year	11,278,053	6,622,818	2,916,041
- Under/(Over) provision in prior year	70,571	(52,618)	-
Total current tax recognised in profit or loss	11,348,624	6,570,200	2,916,041
Deferred tax expense			
- Origination and reversal of temporary differences	1,547,541	4,273,515	1,054,305
- Under/(over) provision in prior year	245,153	334,487	(88,169)
Total deferred tax recognised in profit or loss	1,792,694	4,608,002	966,136
Total tax expense	13,141,318	11,178,202	3,882,177
Reconciliation of tax expense			
Profit before tax	53,884,015	45,421,126	18,426,912
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	-	-	(524,803)
	12,825,594	10,896,333	3,970,346
Under/(over) provision in prior year	315,724	281,869	(88,619)
Total tax expense	13,141,318	11,178,202	3,882,177

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22. Other comprehensive income

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

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)	40,742,697	34,242,924	14,544,735
Weighted average number of ordinary shares (including invested equity):			
At beginning of the year/At end of the year (unit)	9,156,000	9,156,000	9,156,000
Basic earnings per share (RM)	4.45	3.74	1.59

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.

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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

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

	Sen per share	Total amount RM	Date of payment
30.09.2024			
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	7,900,000	23 September 2024
		63,750,000	

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.

	Sen per share	Total amount RM	Date of payment
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	13,000,000	25 February 2025
		43,000,000	

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:

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

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")

	Carrying amount RM	AC RM	FVOCI - EIDUIR RM	FVTPL RM
30.09.2024				
Financial assets				
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	18,771,092	18,771,092	-	-
	74,456,987	70,302,826	4,154,161	-
Financial liabilities				-
Loans and borrowings	(5,273,538)	(5,273,538)	-	-
Trade and other payables	(7,926,729)	(7,926,729)	-	-
	(13,200,267)	(13,200,267)	-	-

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
30.09.2023				
Financial assets				
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	-	-
	97,186,222	92,033,216	5,153,006	-
Financial liabilities				
Trade and other payables	(6,339,751)	(6,339,751)	-	-
30.09.2022				
Financial assets				
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	-	-
	77,173,468	71,557,257	4,116,211	1,500,000
Financial liabilities				
Trade and other payables	(5,876,039)	(5,876,039)	-	-

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
	1,196,132	228,804	2,808
Financial assets at AC	3,067,572	1,799,747	1,172,918
Financial liabilities at AC	(6,222)	-	-
	4,257,482	2,028,551	1,175,726

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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.

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.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
30.09.2024			
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
	5,407,596		5,407,596
30.09.2023			
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
	6,105,874	-	6,105,874

	Gross carrying amount RM	Loss allowance RM	Net balance RM
30.09.2022			
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
	5,774,525		5,774,525

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.

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.

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
30.09.2024							
Non-derivative financial liabilities							
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	-	-	-
	13,214,650		14,677,178	8,755,861	825,152	2,415,312	2,680,853
30.09.2023							
Non-derivative financial liabilities							
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	-	-	-
	6,362,948		6,363,851	6,349,111	14,740	-	-
30.09.2022							
Non-derivative financial liabilities							
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	-	-	-
	6,166,254		6,183,686	6,173,746	9,940	-	-

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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	**30.09.2023**	**30.09.2022**
	RM	**RM**	**RM**
Balances recognised in the Statement of Financial Position			
Bank balances	440,058	761,828	2,313,840

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.

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:

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

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.

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	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
2024										
Financial assets										
At FVOCI										
Quoted securities	4,154,161	-	-	4,154,161	-	-	-	-	4,154,161	4,154,161
Financial liabilities										
At amortised cost										
Loans and borrowings	-	-	-	-	-	-	5,287,770	5,287,770	5,287,770	5,273,538
2023										
Financial assets										
At FVOCI										
Quoted securities	5,153,006	-	-	5,153,006	-	-	-	-	5,153,006	5,153,006
At amortised cost										
Structured deposits	-	-	-	-	-	-	4,517,400	4,517,400	4,517,400	4,500,000

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	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
2022										
Financial assets										
At FVOCI										
Quoted securities	4,116,211	-	-	4,116,211	-	-	-	-	4,116,211	4,116,211
At amortised cost										
Structured deposits	-	-	-	-	-	-	4,464,966	4,464,966	4,464,966	4,500,000

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.

28. Capital commitment

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

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

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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

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").

KPMG PLT, a limited liability partnership under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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.

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

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

The Board of Directors
Hock Soon Capital Berhad
Batu 4, Jalan Sungkai
35500 Bidor
Perak

DRAFT FOR PURPOSE OF INCLUSION IN THE PROSPECTUS EXPOSURE

[ ] 2025

Dear Sirs

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")

Report on the compilation of pro forma consolidated statement of financial position for inclusion in the Company's draft prospectus in connection with the proposed listing of Hock Soon on the Main Market of Bursa Malaysia Securities Berhad ("Draft Prospectus") ("Proposed Listing") ("Bursa Securities")

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statement of financial position of the Company. The pro forma consolidated statement of financial position of the Company as at 30 September 2024 ("Pro Forma Financial Position") and the related notes as set out in Attachment A have been stamped by us for identification purposes. The applicable criteria on the basis on which the Board of Directors of the Company (the "Directors") has compiled the Pro Forma Financial Position is described in the notes to the Pro Forma Financial Position. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been compiled by the Directors for inclusion in the Draft Prospectus solely to illustrate the impact of events or transactions as set out in the notes of Attachment A on the Group's statement of financial position as at 30 September 2024, as if the events or transactions had taken place on 30 September 2024. As part of this process, information about the Group's financial position have been extracted by the Directors from the audited consolidated financial statements of Hock Soon Poultry Farm Sdn Bhd for the year ended 30 September 2024, on which an audit report dated on 24 January 2025 has been issued.

Directors' Responsibility for the Pro Forma Financial Position

The Directors are responsible for compiling the Pro Forma Financial Position on the basis described in the notes of Attachment A as required by the Prospectus Guidelines.

KPMG PLT, a limited liability partnership under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Reporting Accountants' Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (On Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Financial Position has been compiled, in all material respects, by the Directors on the basis described in the notes of Attachment A.

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Financial Position on the basis described in the notes of Attachment A.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Position.

The purpose of the Pro Forma Financial Position included in the Draft Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

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

Opinion

In our opinion, the Pro Forma Financial Position has been compiled, in all material respects, on the basis described in the notes of Attachment A.

Other Matter

Our report on the Pro Forma Financial Position has been prepared for inclusion in the Draft Prospectus in connection with the Proposed Listing and should not be relied upon for any other purposes.

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

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

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Cont'd)*

Attachment A

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position

The pro forma consolidated statement of financial position of the Company as at 30 September 2024 ("Pro Forma Financial Position") as set out below has been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 2 had these transactions been effected on 30 September 2024, and should be read in conjunction with the said notes to the Pro Forma Financial Position.

			Pro Forma I	Pro Forma II	Pro Forma III
	Note	As at 30 September 2024[1] RM'000	After adjustment for subsequent events RM'000	After Pro Forma I and the Proposed Acquisition of Hock Soon Poultry Farm RM'000	After Pro Forma II, the Proposed IPO and utilisation of proceeds RM'000
Assets					
Property, plant and equipment	3(a)	36,059	46,584	46,584	46,584
Right-of-use assets		379	379	379	379
Investment properties		5,017	5,017	5,017	5,017
Other investments		4,154	4,154	4,154	4,154
Total non-current assets		45,609	56,134	56,134	56,134
Biological assets		49,095	49,095	49,095	49,095
Inventories		5,515	5,515	5,515	5,515
Current tax assets		63	63	63	63
Trade and other receivables		5,706	5,706	5,706	5,706
Prepayments and other assets	3(b)	1,502	1,394	1,394	1,394
Other investments	3(c)	45,856	15,856	15,856	15,856
Cash and cash equivalents	3(d)	18,771	4,794	4,794	[•]
		126,508	82,423	82,423	[•]
Asset classified as held for sale		258	258	258	258
Total current assets		126,766	82,681	82,681	[•]
Total assets		172,375	138,815	138,815	[•]

Note:

(1) Extracted from the audited consolidated financial statements of Hock Soon Poultry Farm Sdn Bhd for the year ended 30 September 2024.

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Attachment A

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position (continued)

	Note	As at 30 September 2024[1] RM'000	Pro Forma I After adjustment for subsequent events RM'000	Pro Forma II After Pro Forma I and the Proposed Acquisition of Hock Soon Poultry Farm RM'000	Pro Forma III After Pro Forma II, the Proposed IPO and utilisation of proceeds RM'000
Equity					
Share capital	3(e)	9,261	9,261	102,600	[•]
Merger reserve	3(f)	-	-	(93,339)	(93,339)
Fair value reserve		2,940	2,940	2,940	2,940
Retained earnings	3(g)	133,390	90,390	90,390	[•]
Equity attributable to owners of the Company		145,591	102,591	102,591	[•]
Non-controlling interests		30	30	30	30
Total equity		145,621	102,621	102,621	[•]
Non-current liabilities					
Loans and borrowings	3(h)	4,655	13,630	13,630	13,630
Lease liabilities		9	9	9	9
Deferred tax liabilities		11,332	11,332	11,332	11,332
		15,996	24,971	24,971	24,971
Current liabilities					
Trade and other payables		7,927	7,927	7,927	7,927
Loans and borrowings	3(h)	619	1,084	1,084	1,084
Lease liabilities		5	5	5	5
Current tax liabilities		2,207	2,207	2,207	2,207
		10,758	11,223	11,223	11,223
Total liabilities		26,754	36,194	36,194	36,194
Total equity and liabilities		172,375	138,815	138,815	[•]

Note:

(1) Extracted from the audited consolidated financial statements of Hock Soon Poultry Farm Sdn Bhd for the year ended 30 September 2024.

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Attachment A

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position (continued)

Supplementary information

		Pro Forma I	Pro Forma II	Pro Forma III
	As at 30 September 2024	**After adjustment for subsequent events**	**After Pro Forma I and the Proposed Acquisition of Hock Soon Poultry Farm**	**After Pro Forma II, the Proposed IPO and utilisation of proceeds**
No. of Shares in issue ('000)*	9,156	9,156	400,000	500,000
Net asset per share (RM)^	15.90	11.20	0.26	[•]
Total borrowings (excluding lease liabilities)*	5,274	14,714	14,714	14,714
Gearing ratio (times)#	0.04	0.14	0.14	[•]

Notes:

* *Extracted from the audited consolidated financial statements of Hock Soon Poultry Farm Sdn Bhd for the year ended 30 September 2024.*

^ *Net assets per share is defined as total equity attributable to owners of the Company over the number of Shares in issue.*

\# *Gearing ratio is calculated based on total borrowings divided by total equity attributable to owners of the Company.*

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Attachment A

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

Notes to the Pro Forma Financial Position

The Pro Forma Financial Position has been prepared for inclusion in the Company's draft prospectus in connection with the proposed listing of Hock Soon on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Listing") ("Draft Prospectus") and should not be relied upon for any other purposes.

1. Basis of preparation

The applicable criteria on the basis of which the Board of Directors of the Company (the "Directors") has compiled the Pro Forma Financial Position are as described below. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Company was incorporated on 26 November 2024 with an issued share capital of RM1, for the purpose of a corporate exercise, as part of the listing scheme in relation to the Proposed Listing, that will result in the Company becoming the holding company of Hock Soon Poultry Farm Sdn Bhd ("Hock Soon Poultry Farm").

The Company has not carried on any business since the date of its incorporation. Being a newly incorporated company, the Company has no audited financial statements as at the date of the Draft Prospectus. Consequently, the Pro Forma Financial Position has been prepared based on the audited consolidated financial statements of Hock Soon Poultry Farm for the year ended 30 September 2024, which were prepared in accordance with Malaysian Financial Reporting 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"), and in a manner consistent with the format of the statement of financial position and the accounting policies adopted by Hock Soon Capital Berhad and its subsidiaries (the "Group"), adjusted for the events and transactions detailed in Note 2.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma Financial Position.

The auditors' report dated 24 January 2025 on the audited consolidated statement of financial position of Hock Soon Poultry Farm for the year ended 30 September 2024 was not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Financial Position is not necessarily indicative of the financial position that would have been attained had the events and transactions detailed in Note 2 actually occurred at the respective dates. The Pro Forma Financial Position has been prepared for illustrative purposes only.

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2. Pro Forma adjustments to the Pro Forma Financial Position

The Pro Forma Financial Position illustrates the effects of the following events or transactions:

2.1 Pro Forma I – Adjustment for subsequent events

(i) Dividends declared and paid

Since 1 October 2024 up to the latest practicable date of 28 February 2025 ("LPD"), Hock Soon Poultry Farm declared dividends of (i) RM5 million on 1 November 2024 and paid on 18 November 2024, (ii) RM25 million on 9 December 2024 and paid on 26 December 2024; and (iii) RM13 million on 27 January 2025 and paid on 25 February 2025 in respect of the financial year ending 30 September 2025. The first two dividends, totalling RM30 million were paid out of Hock Soon Poultry Farm's investment account, while the remaining RM13 million was paid out of its bank account.

(ii) Acquisition of land

On 23 December 2024, Hock Soon Poultry Farm entered into a conditional sale and purchase agreement to acquire the land in Teluk Intan for a total cash consideration of RM10.5 million. Deposits of RM0.1 million and RM 1 million were paid from Hock Soon Poultry Farm's bank account on 10 September 2024 and 13 November 2024 respectively, to secure the transaction. The remaining balance of RM9.4 million was financed through a new loan drawdown on 27 February 2025.

2.2 Pro Forma II – Proposed Acquisition of Hock Soon Poultry Farm

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 Hock Soon Poultry Farm 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.

The Proposed Acquisition of Hock Soon Poultry Farm will be accounted for using book value accounting. Under book value accounting, the difference between the consideration paid and the share capital of the acquiree is accounted for as merger reserve.

2.3 Pro Forma III – Proposed IPO and utilisation of proceeds

The Proposed IPO entails the proposed initial public offering of 150,000,000 new ordinary shares in the Company ("Shares"), and comprises the following transactions:

(i) Proposed Public Issue

The proposed public issue of 100,000,000 new ordinary shares in the Company ("Issue Share(s)") at the indicative price of RM[•] per Issue Share.

(ii) Proposed Offer for Sale

The proposed offer for sale of 50,000,000 existing ordinary shares in the Company ("Offer Share(s)") by Ong Boon Leng, Lim Suk Gen, Ong Keat Qian and Ong Keat Hoe (collectively, the "Selling Shareholders") at the indicative price of RM[•] per Offer Share by way of price placement to selected investors.

The Company will not receive any proceeds from the Proposed Offer for Sale. The gross proceeds of RM[•] from the Proposed Offer for Sale will accrue entirely to the Selling Shareholders.

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Attachment A

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

2. Pro Forma adjustments to the Pro Forma Financial Position (continued)

2.3 Pro Forma III – Proposed IPO (continued)

(iii) Proposed utilisation of proceeds

The gross proceeds from the Proposed Public Issue are intended to be utilised as follows:

	RM'000
Establishment of new poultry farm in Teluk Intan[(1)]	[•]
Estimated listing expenses [(2)]	[•]
	[•]

Notes:

(1) The Group intends to establish a new poultry farm on 3 plots of adjacent land in Teluk Intan, Perak. This new poultry farm will comprise 25 closed-house chicken coops with higher egg production capacity than the Group's existing chicken coops. This new poultry farm will also be equipped with automation systems, monitoring and control systems, and a central grading and sorting station.

As at the LPD, the Group has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the above capital expenditure. Accordingly, the utilisation of proceeds earmarked for the establishment of new poultry farm is not reflected in the Pro Forma Financial Position.

(2) The estimated listing expenses comprise the following:

	RM'000
Professional fees	[•]
Fees payable to authorities	[•]
Brokerage fee, underwriting commission and placement fees	[•]
Miscellaneous expenses and contingencies	[•]
	[•]

The total fees and expenses to be borne by the Company is estimated to be approximately RM[•]. As at 30 September 2024, RM0.6 million has been paid and charged to the profit or loss of Hock Soon Poultry Farm.

Upon completion of the IPO, the estimated listing fees and expenses of approximately RM[•] directly attributable to the Proposed Public Issue will be debited against the share capital and the remaining estimated fees and expenses of approximately RM[•] will be charged out to the profit or loss of the Group.

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Attachment A

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position

(a) Movement in property, plant and equipment

	RM'000
Balance as at 30 September 2024	36,059
Effects of Pro Forma I:	
- Acquisition of land	10,525
Pro Forma I, II and III	46,584

(b) Movement in prepayments and other assets

	RM'000
Balance as at 30 September 2024	1,502
Effects of Pro Forma I:	
- Acquisition of land	(108)
Pro Forma I, II and III	1,394

(c) Movement in other investments

	RM'000
Balance as at 30 September 2024	45,856
Effects of Pro Forma I:	
- Dividend payment	(30,000)
Pro Forma I, II and III	15,856

(d) Movement in cash and cash equivalents

	RM'000
Balance as at 30 September 2024	18,771
Effects of Pro Forma I:	
- Dividend payment	(13,000)
- Acquisition of land	(977)
Pro Forma I and II	4,794
Effects of Pro Forma III:	
- Proceeds from the Proposed Public Issue	[•]
- Estimated listing expenses	[•]
Pro Forma III	[•]

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Attachment A

Hock Soon Capital Berhad ("Hock Soon" or the "Company") and its subsidiaries (the "Group")
Pro Forma Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position (continued)

(e) Movement in share capital

	RM'000
Balance as at 30 September 2024 / Pro Forma I	9,261
Effects of Pro Forma II:	
- Proposed Acquisition of Hock Soon Poultry Farm	93,339
Pro Forma II	102,600
Effects of Pro Forma III:	
- Issuance of new shares pursuant to the Proposed Public Issue	[•]
- Estimated listing expenses directly attributable to the Proposed Public Issue	[•]
Pro Forma III	[•]

(f) Movement in merger reserve

	RM'000
Balance as at 30 September 2024 / Pro Forma I	-
Effects of Pro Forma II:	
- Proposed Acquisition of Hock Soon Poultry Farm	(93,339)
Pro Forma II and III	(93,339)

(g) Movement in retained earnings

	RM'000
Balance as at 30 September 2024	133,390
Effects of Pro Forma I:	
- Dividend payment	(43,000)
Pro forma I and II	90,390
Effects of Pro Forma III:	
- Estimated listing expenses charged to profit or loss of the Group	[•]
Pro Forma III	[•]

(h) Movement in loans and borrowings

	RM'000
Balance as at 30 September 2024	5,274
Effects of Pro Forma I:	
- Drawdown of loan to part finance the acquisition of land	9,440
Pro Forma I, II and III	14,714

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15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

(a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.

(b) Save for the Pink Form Allocations as disclosed in Section 4.3.2,

(a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and

(b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

(c) Save for the subscriber Share, new Shares issued for the Acquisition of Hock Soon Poultry Farm and to be issued for the Public Issue as disclosed in Sections 6.2 and 4.3.1 respectively, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.

(d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.

(e) As at the date of this Prospectus, our Company does not have any outstanding convertible debt securities.

15.2 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our Company's share capital are as set out in Section 6.1. Details of the share capital of our subsidiaries are as set out below.

15.2.1 Hock Soon Poultry Farm

Hock Soon Poultry Farm's issued share capital as at LPD is RM9,261,000 comprising 9,156,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
27 September 1979	2	RM2/ Subscriber's shares	2
30 September 1980	402,998	RM402,998/ Otherwise than cash	403,000
22 December 1995	30,000	RM135,000/ Cash	538,000
8 August 1996	330,000	RM330,000/ Otherwise than cash	868,000
23 June 1997	8,393,000	RM8,393,000/ Otherwise than cash	9,261,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Hock Soon Poultry Farm. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.2 Hock Soon Resources

Hock Soon Resources' issued share capital as at LPD is RM100,000 comprising 100,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
19 June 2023	100	RM100/ Subscriber's shares	100
31 July 2023	99,900	RM99,900/ Cash	100,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Hock Soon Resources. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.3 Al-Kauthar Trading

Al-Kauthar Trading's issued share capital as at LPD is RM100,000 comprising 100,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
20 September 2024	100,000	RM100,000/ Subscriber's shares	100,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Al-Kauthar Trading. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

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15.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

15.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

(a) <u>Changes in share capital</u>

Clause 53 – Increase of share capital

Our Company may from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution passed at the general meeting increase its share capital, such new capital to be of such amount and to be divided into shares of such rights to or be subject to such conditions or restriction in regard to dividend, return of capital or otherwise as our Company by the resolution authorising such increase, and if no direction be given, as our Directors shall determine and in particular, but without prejudice to the rights attached to any preference shares that may have been issued, such new shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of our Company and with a special or restricted or without any right of voting.

Clause 54 – Issue of new shares to existing members

Subject to any direction to the contrary that may be given by our Company in general meeting, any shares or convertible securities from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from our Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or convertible securities to which they are entitled. The offer shall be made by notice specifying the number of shares or convertible securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible securities offered the Directors may dispose of those shares or convertible securities in such manner as they think most beneficial to our Company. The Directors may in like manner dispose of any such new shares or convertible securities as aforesaid which, by reason of the ratio borne by them to the number of shares or convertible securities held by persons entitled to such offer of new shares or convertible securities cannot, in the opinion of the Directors be conveniently offered in the manner herein provided.

Clause 55 – New capital to be considered as part of the current share capital of our Company

Except so far as otherwise provided by the conditions of issues, any capital raised by the creation of new shares shall be considered as part of the original share capital of our Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transaction, forfeiture and otherwise as the original share capital and shall also be subject to the Depository Rules.

Clause 56 – Alteration of Capital

56.1 Our Company may by special resolution:

(i) consolidate and divide all or any of its share capital the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(ii) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or

(iii) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

56.2 Our Company may, subject to the provision of the Act, by special resolution reduce its share capital.

(b) <u>Variation of class rights</u>

Clause 7 – Authority of Directors to allot shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of our Constitution and the Act and the Central Depositories Act and to the provisions of any resolution of our Company, shares in our Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:

(i) No issue of shares shall be made which will have the effect of transferring a controlling interest in our Company to any person, company or syndicate without the prior approval of the members in general meeting;

(ii) In the case of shares, other than ordinary shares, no special rights shall be attached until the same have been expressed in our Constitution or in the resolution creating the same;

(iii) Every issue of shares or options to employees and/ or Directors shall be approved by the members in general meeting and:

(aa) Such approval shall specifically detail the amount of shares or options to be issued to such employees and/ or Directors; and

(bb) A Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a share option scheme;

(iv) In the case of shares offered to the public for subscription, the amount payable on application on each share shall not be less than five per centum (5%) of the market price;

(v) Our Company must ensure that all new issue of shares for which listing is sought shall be made by way of crediting the securities accounts of the allottees or entitled persons in the Depository with such securities save and except where our Company is specifically exempted from doing so. Our Company shall notify the Depository of the names of the allottees or the entitled persons together with all such particulars as may be required by the Depository to enable it to make the appropriate entries in the securities accounts of such allottees or entitled persons.

(vi) Our Company must allot and issue securities, despatch notices of allotment to the allottees and make an application for the quotation of such securities within such periods as may be prescribed by Bursa Securities.

Clause 8 – Issuance of preference shares

Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of our Company are or will be liable, to be redeemed provided that:

(a) Preference shareholders shall have the same rights as ordinary shareholders as regards to the receiving of notices, reports and financial statements and attending of general meetings of our Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the whole of our Company's property, business or undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months or during the winding up of our Company. On a resolution to be decided on a show of hands, a holder of preference shares who is personally present and entitled to vote shall be entitled to one (1) vote.

(b) The holder of a preference shares shall be entitled to a return of capital in preference to holders of ordinary shares when our Company is wound up; and

(c) Our Company shall not, without the consent of the existing preference shareholders at a class meeting or pursuant to clause 19 hereof, issue further preference capital ranking in priority above preference shares already issued but may issue preference shares ranking equally therewith.

Clause 15 – Issue of securities

Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Depository Rules and notwithstanding the existence of a resolution pursuant to Section 75 of the Act, our Company must ensure that it shall not issue any shares if those shares, when aggregated with any such shares issued during the preceding twelve (12) months, exceeds 10% of the number of issued shares of our Company, except where the shares are issued with the prior approval of shareholders in general meeting of the precise terms and conditions of the issue, in working out the number of shares that may be issued by our Company.

Clause 19 – Repayment of Preference Shares

Notwithstanding Clause 20 hereof, the repayment of preference shares other than redeemable preference shares, or any alteration of preference shareholders rights may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the class meeting, consent in writing, if obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the class meeting, shall be as valid and effectual as a special resolution carried at the class meeting.

Clause 20 – Alteration of class rights

Whenever the capital of our Company is divided into different classes of shares or groups, the special rights attached to any class or group may subject to the provisions of our Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares capital of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst our Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of our Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third (1/3) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. To every such special resolution, the provisions of Section 292 of the Act, shall, with such adaptations as are necessary, apply.

Clause 21 – Ranking of class rights

The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of our Company in some or in all respects *pari passu* therewith.

15.3.2 Borrowings and voting powers of our Directors

(a) <u>Borrowings powers of Directors</u>

Clause 110 – Directors' borrowing powers

(i) The Directors may exercise all the powers of our Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of our Company or of any related third party PROVIDED ALWAYS that nothing contained in our Constitution shall authorise the Directors to borrow any money or mortgage or charge any of our Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

(ii) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of our Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified or otherwise.

(iii) If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from our Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of our Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

(b) <u>Voting powers of Directors</u>

Clause 118 – Meetings of Directors

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Subject to our Constitution, questions arising at any meeting shall be determined by a majority of votes.

Clause 119 – Calling of meetings

A Director may at any time summon a meeting of the Directors, and the secretary, upon the request of the Chairman or any one (1) Director, shall convene a meeting of the Directors. Unless otherwise determined by the Directors, a seven (7) days' notice of all Directors' meetings shall be given to all Directors and their alternate Directors, except in the case of an emergency, where reasonable notice of the meeting shall be sufficient.

Clause 120 – Irregularity in Notice

An irregularity in the notice of a meeting is waived if all directors entitled to receive notice of the meeting attend the meeting without objection to the irregularity.

Clause 121 – Quorum

The quorum necessary for the transaction of the business of the Directors shall be two (2) Directors for the time being of our Company. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretion for the time being exercisable by the Directors.

Clause 122 – Participation of Directors' meeting by way of telephone and video conferencing

Any Director may participate at a meeting of Directors by way of telephone and video conferencing or by means of other communication equipment whereby all persons participating in the meeting are able to hear each other and be heard for the entire duration of the meeting in which event such Director shall be deemed to be physically present at the meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Any meeting held in such manner shall be deemed to be held at such place as shall be agreed upon by the Directors attending the meeting PROVIDED that at least one (1) of the Directors present at the meeting was at such place for the duration of that meeting. All information and documents must be made equally available to all participants prior to or at/ during the meeting.

Clause 123 – Election of Chairman

The Directors may from time to time elect a Chairman and may elect one (1) or more Deputy Chairman from their number and the Directors may determine the period for which such officers shall respectively hold office. The Chairman or in the absence of the Chairman, the Deputy Chairman (if any) or in the event that there are more than one (1) Deputy Chairman, the senior in appointment amongst them, shall preside at the meeting of Directors. If such officers have not been appointed, or if no such officers are present within fifteen (15) minutes after the time appointed for holding of the meeting of the Directors, the Directors present shall choose one (1) of their number to be Chairman of the meeting.

Clause 124 – Chairman has casting vote

In case of equality of votes the Chairman shall have a second/ casting vote except where only two (2) Directors are competent to vote on the question at issue, or at the quorum present at the meeting.

Clause 125 – Declaration of Interest and restriction of voting

A Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or arrangement with our Company, shall declare the nature of his interest in accordance with the provisions of the Act. A Director shall not vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly, a personal interest and if he should do so, his vote should not be counted, but this prohibition shall not apply to:

(i) any arrangement for giving any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of our Company or any of our subsidiaries; or

(ii) any arrangement for the giving by our Company of any security to a third party in respect of a debt or obligation of our Company or any of our subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of a security.

Clause 126 – Directors retained from voting in interested transactions

Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with our Company and in connection with the disclosure of the fact and the nature, character and extent of any office or possession of any property whereby whether directly or indirectly duties or interests might be created in conflict with his duty or interest as a Director of our Company.

Clause 127 – Directors appointed at a meeting to hold other office to be counted in the quorum

A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat, he or any other Director is to be appointed to hold any office or place of profit in our Company or whereat the Directors resolve to exercise any of the rights of our Company, (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit in any other company or whereat the terms of any such appointment or arrangements as hereinbefore mentioned are considered, as he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof.

Clause 128 – General notice of interest in corporation by Company

A general notice given to the Board that a Director, alternate Director or Managing Director is a member of or interested in any specified firm or corporation with whom any contract is proposed to be entered into in relation to the affairs of our Company and is to be regarded as interested in all transactions with such firm or corporation shall be sufficient disclosure under this clause as regards such Director and the said transaction and after such general notice it shall not be necessary for such Director to give any special notice relating to any particular transaction with such firm or corporation.

Clause 129 – Director's interest in corporation promoted by Company

A Director of our Company may be or become a Director or other officer of or otherwise interested in any corporation promoted by our Company or in which our Company may be interested as shareholder or otherwise and no such Director shall be accountable to our Company for any remuneration or other benefits received by him as a Director or officer of or from his interest in such corporation unless our Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by our Company, or exercisable by them as Directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the Directors or other officers of such corporation), and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed a Director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

15.3.3 Remuneration of Directors

Clause 105 – Remuneration

The fees and any benefits payable to the Directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of our Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:

(a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) salaries payable to executive Directors may not include a commission on or percentage of turnover;

(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

(d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 106 – Reimbursement and special remuneration

(a) The Directors shall be entitled to be reimbursed for all travelling or such other reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in connection with or about the business of our Company in the course of the performance of their duties as Directors.

(b) If by arrangement with the Directors, any Director shall perform or render any special duties or service's outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of our Company or in giving special attention to the business of our Company as a member of a committee of Directors, the Directors may pay him special remuneration, in addition to his Director's fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged subject to any other provisions of our Constitution.

Clause 138 – Remuneration of Managing Director and Executive Director

The remuneration of the Managing Director and/ or Executive Directors may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover.

15.3.4 Transfer of Shares

Clause 44 – Transfer of securities

The transfer of any listed security or class of listed security in our Company shall be by way of book entry by the Depository in accordance with the Depository Rules and notwithstanding Sections 105, 106 or 110 of the Act, subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, our Company shall be precluded from registering and effecting any transfer of the listed security.

Clause 45 – Transferor's right

The instrument of transfer of any share shall be executed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the record of depositors in respect thereof.

Clause 46 – Person under disability

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Clause 47 – Transmission of Shares

Where:

(a) the securities of our Company are listed on another stock exchange; and

(b) our Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Depository Rules in respect of such securities,

our Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the share registrar in the jurisdiction of the other stock exchange, to the register of holders maintained by the share registrar in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

Clause 48 – Death of holder of shares

In the event of the death or bankruptcy of a member, any person becoming entitled as a result thereof may transfer or be registered as the owner of the shares held by that member before his death or bankruptcy or otherwise deal with the said shares in the manner allowed by law and in accordance with the Depository Rules. The person so entitled shall notify the Depository accordingly in writing of his election whether to have the shares of the deceased or bankrupt member to be registered under his name or otherwise to be transferred to another person and shall comply with the Rules affecting the registration and transfer of the said shares, as the case may be.

15.4 GENERAL INFORMATION

(a) Save for the dividends paid to our shareholders in FYE 2023 to 2024 and up to LPD, and remuneration paid as disclosed in Sections 5.1.5 and 5.2.4 respectively, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.

(b) Save as disclosed in Sections 10.1 and 11.1, none of our Promoters, Directors and substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.

(d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15.5 CONSENTS

(a) The written consents of our Adviser, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretaries and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;

(b) The written consents of our Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma combined financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and

(c) The written consent of our IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

15.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(a) Constitution;

(b) Audited financial statements of Hock Soon Poultry Farm and Hock Soon Resources for FYE 2022 to 2024, where applicable;

(c) Accountants' Report as set out in Section 13;

(d) Reporting Accountants' Letter relating to our pro forma financial information as set out in Section 14;

(e) IMR Report as set out in Section 8;

(f) Material contracts as set out in Section 6.5; and

(g) Letters of consent as set out in Section 15.5.

15.7 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., [•]

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., [•]

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16.2.2 Placement

Types of Application	Application Method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. **The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Application**.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(a) You must be one of the following:

(i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(ii) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(c) You must submit Applications by using only one of the following methods:

(i) White Application Form; or

(ii) Electronic Share Application; or

(iii) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM[•] for each IPO Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NO. [•]**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

(b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan,

so as to arrive not later than 5.00 p.m. on [•] or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd), Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(a) reject Applications which:

(i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(ii) are illegible, incomplete or inaccurate; or

(iii) are accompanied by an improperly drawn up or improper form of remittance; or

(b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(c) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/ UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at www.mih.com.my within 1 market day after the balloting date.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 1,000 public shareholders, each holding not less than 100 Shares upon our admission to the Main Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the Main Market. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/ or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL/ PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).

(d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or by issuance of banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) or Participating Securities Firm within 2 Market Days after the receipt of confirmation from the Issuing House.

(b) You may check your account on the 5th Market Day from the balloting date.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) or Participating Securities Firms not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date.

The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(a) Our IPO Shares allotted to you will be credited into your CDS Account.

(b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603-7890 4700
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution or Participating Securities Firms and Authorised Financial Institution

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.