

**LEONG HUP INTERNATIONAL BERHAD**

(Company No. 201401022577) (1098663 – D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Year-to-date ended	
		31/3/2025	31/3/2024	31/3/2025	31/3/2024
		RM'000	RM'000	RM'000	RM'000
Revenue		2,210,905	2,410,973	2,210,905	2,410,973
Other income		45,270	23,624	45,270	23,624
Operating expenses		(2,071,538)	(2,273,508)	(2,071,538)	(2,273,508)
Profit from operations		184,637	161,089	184,637	161,089
Share of profits of associates		116	27	116	27
Finance costs		(26,357)	(36,195)	(26,357)	(36,195)
Profit before taxation	B5	158,396	124,921	158,396	124,921
Tax expense	B6	(17,714)	(29,994)	(17,714)	(29,994)
Net profit for the financial period		140,682	94,927	140,682	94,927
Other comprehensive income:					
Item that will be subsequently reclassified to profit or loss:					
Currency translation differences		(35,845)	8,466	(35,845)	8,466
Other comprehensive income for the financial period		(35,845)	8,466	(35,845)	8,466
Total comprehensive income for the financial period		104,837	103,393	104,837	103,393

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Year-to-date ended	
		31/3/2025	31/3/2024	31/3/2025	31/3/2024
		RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to:					
Owners of the Company		101,801	56,579	101,801	56,579
Non-Controlling Interests		38,881	38,348	38,881	38,348
		140,682	94,927	140,682	94,927
Total comprehensive income attributable to:					
Owners of the Company		67,772	65,321	67,772	65,321
Non-Controlling Interests		37,065	38,072	37,065	38,072
		104,837	103,393	104,837	103,393
Earning per share (sen)					
Basic	B12	2.81	1.55	2.81	1.55
Diluted	B12	2.81	1.55	2.81	1.55

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at 31/3/2025 RM'000	Audited As at 31/12/2024 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		2,667,345	2,683,265
Investment properties		32,075	31,148
Right-of-use assets		389,218	392,466
Intangible assets		91,486	91,235
Investment in associates		1,950	1,810
Financial assets at fair value through other comprehensive income		4,470	4,446
Other receivables and deposits		17,208	13,003
Amount owing by Associates		27,861	27,925
Deferred tax assets		61,596	63,597
Total Non-Current Assets		3,293,209	3,308,895
<b>Current Assets</b>			
Biological assets		597,625	571,763
Inventories		844,953	968,600
Trade receivables		630,352	623,171
Other receivables and prepaid expenses		179,956	165,085
Dividend receivables		3,315	-
Derivative financial assets		455	789
Tax recoverable		24,049	35,322
Cash and bank balances		739,531	770,670
Total Current Assets		3,020,236	3,135,400
<b>TOTAL ASSETS</b>		<b>6,313,445</b>	<b>6,444,295</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		1,500,714	1,500,714
Treasury share		(24,409)	(11,547)
Merger reserve		(662,966)	(662,966)
Reserve		1,691,079	1,622,415
Equity attributable to owners of the Company		2,504,418	2,448,616
Non-controlling interests		900,656	878,820
<b>TOTAL EQUITY</b>		<b>3,405,074</b>	<b>3,327,436</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

		Unaudited As at 31/3/2025 RM'000	Audited As at 31/12/2024 RM'000
	Note		
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		137,547	150,582
Bank borrowings	B8	496,336	575,947
Lease liabilities		146,584	145,394
Deferred Income		605	687
Provision for Asset Retirement Obligation		4,975	4,918
Post-employment benefits obligation		39,771	39,908
Total Non-Current Liabilities		825,818	917,436
<b>Current Liabilities</b>			
Trade payables		303,465	311,641
Other payables and accrued expenses		340,204	406,871
Bank borrowings	B8	1,365,401	1,418,758
Lease liabilities		31,457	30,708
Derivative financial liabilities	B9	13	-
Deferred Income		346	344
Tax payable		41,667	31,101
Total Current Liabilities		2,082,553	2,199,423
<b>TOTAL LIABILITIES</b>		2,908,371	3,116,859
<b>TOTAL EQUITY AND LIABILITIES</b>		6,313,445	6,444,295
<b>Net assets per share attributable to ordinary equity holders (RM)</b>		0.6934	0.6740

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Share RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2025	1,500,714	(11,547)	(662,966)	(79,464)	3,277	1,698,602	2,448,616	878,820	3,327,436
Comprehensive income:									
Net profit for the financial year	-	-	-	-	-	101,801	101,801	38,881	140,682
Other comprehensive income:									
Currency translation differences	-	-	-	(34,024)	(5)	-	(34,029)	(1,816)	(35,845)
Total other comprehensive income	-	-	-	(34,024)	(5)	-	(34,029)	(1,816)	(35,845)
Total comprehensive Income	-	-	-	(34,024)	(5)	101,801	67,772	37,065	104,837
Transactions with owners:									
Purchase of treasury shares	-	(12,862)	-	-	-	-	(12,862)	-	(12,862)
Changes in equity interest in subsidiaries	-	-	-	-	-	-	-	(1,824)	(1,824)
Dividends paid	-	-	-	-	-	-	-	(13,405)	(13,405)
Share options lapsed	-	-	-	-	(17)	17	-	-	-
Share options expense	-	-	-	-	892	-	892	-	892
	-	(12,862)	-	-	875	17	(11,970)	(15,229)	(27,199)
Balance as at 31 March 2025	1,500,714	(24,409)	(662,966)	(113,488)	4,147	1,800,420	2,504,418	900,656	3,405,074

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share Capital RM'000	Treasury Share RM'000	Merger Reserve RM'000	Foreign Currency Translation Reserve RM'000	ESOS Reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2024	1,499,684	-	(662,966)	27,515	11,097	1,361,376	2,236,706	718,422	2,955,128
Comprehensive income:									
Net profit for the financial year	-	-	-	-	-	56,579	56,579	38,348	94,927
Other comprehensive income:									
Currency translation differences	-	-	-	8,870	-	(128)	8,742	(276)	8,466
Total other comprehensive income	-	-	-	8,870	-	(128)	8,742	(276)	8,466
Total comprehensive income	-	-	-	8,870	-	56,451	65,321	38,072	103,393
Transactions with owners:									
Dividends paid	-	-	-	-	-	-	-	(6,152)	(6,152)
Issuance of share in subsidiary	-	-	-	-	-	-	-	400	400
Changes in equity interest in subsidiaries	-	-	-	-	-	(3,755)	(3,755)	3,755	-
Share options lapsed	-	-	-	-	(48)	48	-	-	-
	-	-	-	-	(48)	(3,707)	(3,755)	(1,997)	(5,752)
Balance as at 31 March 2024	1,499,684	-	(662,966)	36,385	11,049	1,414,120	2,298,272	754,497	3,052,769

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	Year-to-date ended	
	31/3/2025	31/3/2024
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	158,396	124,921
Adjustments for: non-cash items	100,561	115,012
Operating profit before working capital changes	258,957	239,933
<u>Net Movement In:</u>		
Biological assets	(32,032)	14,857
Inventories	127,727	(22,686)
Receivables	(29,221)	(52,472)
Payables	(73,012)	(44,292)
Net cash from operations	252,419	135,340
Tax paid	(9,753)	(16,701)
Tax refund	458	-
Net cash flow from operating activities	243,124	118,639
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	919	260
Proceeds from disposal of right-of-use assets	342	252
Interest income received	5,380	3,724
Addition of property, plant and equipment	(69,309)	(63,012)
Addition of investment properties	(947)	(31)
Addition of right-of-use assets	(235)	(83)
Additional investment in associates company	(25)	-
Placement of fixed deposit pledged	(4,991)	(5,160)
(Placement)/Withdrawal of fixed deposit with more than 3 months maturity	(7,035)	26,119
Net cash flow from investing activities	(75,901)	(37,931)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	CUMULATIVE QUARTER	
	Year-to-date ended	
	31/3/2025	31/3/2024
	RM'000	RM'000
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Finance costs paid	(25,992)	(35,283)
Proceeds from term loans	-	7,337
Repayments of term loans	(46,819)	(38,634)
Repayments of sukuk	(30,000)	-
Net repayments of short term borrowings	(29,308)	(364)
Repayments of hire purchase liabilities	(1,284)	(3,788)
Repayments of lease liabilities	(10,871)	(7,867)
Issuance of shares in subsidiary to non-controlling interest	-	400
Purchase of treasury shares	(12,862)	-
Dividends paid to owners of the Company	-	(43,800)
Dividends paid to non-controlling interest of subsidiaries	(13,405)	(6,152)
Net cash flow from financing activities	(170,541)	(128,151)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,318)	(47,443)
Effect of exchange translation differences	(16,235)	965
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	678,685	627,270
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	659,132	580,792

Cash and cash equivalents comprise the following:

Cash and bank balances	739,531	646,811
Bank overdrafts	(2,620)	(17,544)
	736,911	629,267
Less:		
Fixed deposits pledged as collateral	(18,650)	(26,921)
Fixed deposits of more than 3 months maturity period	(59,129)	(21,554)
	659,132	580,792

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached in the interim financial report.



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NOTES TO THE INTERIM FINANCIAL REPORT

FOR THE FIRST QUARTER ENDED 31 MARCH 2025

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## A. SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO. 134 - INTERIM FINANCIAL REPORTING

### A1. BASIS OF PREPARATION

The interim financial report of Leong Hup International Berhad (“LHI” or the “Company”) and its subsidiaries (collectively, the “Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by International Accounting Standards Board (“IASB”), paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial report should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2024. These explanatory notes, attached to the condensed consolidated interim financial report, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

### A2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited consolidated financial statements of the Group for the financial year ended 31 December 2024, except for the adoption of the following new standards, amendments to standards and interpretations during the current financial year:

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates– Lack of exchangeability

The adoption of the above standards and amendments does not have any material financial impact on the financial statements of the Group.

#### **Standards and Amendments in issue but not yet effective**

At the date of authorisation for issue of this interim financial report, the new and revised Standards and Amendments, which were in issue but not yet effective and not early adopted by the Group are as follows:

A2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Standards and Amendments in issue but not yet effective (Continued)**

<b>Standards</b>	<b>Effective for annual period beginning on or after</b>
Amendments to MFRS 7 and MFRS 9 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
MFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments is not expected to have any material impact on the financial statements of the Group in the period of initial application.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors have expressed an unqualified opinion on the audited Group's statutory financial statements for the financial year ended 31 December 2024 in their report dated 18 April 2025.

A4. SEASONAL AND CYCLICAL FACTORS

The Group's Feedmill business is not subject to seasonal factors, whilst the Group's Livestock business is subject to certain seasonal factors, such as weather, festive seasons and school holidays.

- *Weather* : whilst poultry grown in closed-houses are not affected by variations in the weather, poultry grown in open-houses are. When weather is hotter, poultry tends to grow at a slower rate, thus reducing the supply to the market and increasing prices.
- *Festive seasons* : typically, poultry consumption is higher during the festive seasons such as Ramadan and Christmas, while poultry consumption is the lowest during the period immediately following the month of Ramadan and Hari Raya.
- *School holidays* : during school holidays we typically see an increase in sales in each of the jurisdictions where the Group operates, other than Singapore, where sales are slightly lower.

A5. UNUSUAL ITEMS

There was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the financial year under review.

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have had material effect on the results of the financial year under review.

A7. DEBT AND EQUITY SECURITIES

During the financial period ended 31 March 2025, the Company repurchased 21,154,500 ordinary shares from the open market for a total consideration of RM12,861,798 million at an average price of RM0.61.

As at 31 March 2025, of the total 3,651,701,800 issued and fully paid ordinary shares, 40,071,400 ordinary shares are held as treasury shares by the Company.

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the financial period under review.

A8. DIVIDENDS PAID

There was no dividend paid during the current quarter under review.

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**A9. SEGMENTAL INFORMATION**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Management Team as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided, as well as geographical segment.

**Products and services**

	Livestock and poultry related products RM'000	Feedmill RM'000	Inter segment elimination RM'000	Group RM'000
<b>Quarter ended 31 March 2025</b>				
Revenue from sales of goods:				
- external customers	1,324,735	882,710	-	2,207,445
- inter-segment	-	259,596	(259,596)	-
Revenue from sales of goods	1,324,735	1,142,306	(259,596)	2,207,445
Revenue from other sources				3,460
Total revenue				2,210,905
EBITDA (*)	113,606	148,201	(746)	261,061
Depreciation and amortisation	(58,223)	(17,114)	(1,087)	(76,424)
	55,383	131,087	(1,833)	184,637
Share of profit of associates				116
Finance costs				(26,357)
Profit before taxation				158,396
Tax expense				(17,714)
Profit for the financial quarter				140,682

(\*) - Earnings Before Interest, Tax Depreciation and Amortisation

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**A9. SEGMENTAL INFORMATION (CONTINUED)**

**Products and services (Continued)**

	Livestock and poultry related products RM'000	Feedmill RM'000	Inter segment elimination RM'000	Group RM'000
<b>Quarter ended 31 March 2024</b>				
Revenue from sales of goods:				
- external customers	1,315,764	1,092,275	-	2,408,039
- inter-segment	-	323,091	(323,091)	-
Revenue from sales of goods	1,315,764	1,415,366	(323,091)	2,408,039
Revenue from other sources				2,934
Total revenue				2,410,973
EBITDA	78,946	164,560	(2,885)	240,621
Depreciation and amortisation	(62,396)	(17,670)	534	(79,532)
	16,550	146,890	(2,351)	161,089
Share of profit of associates				27
Finance costs				(36,195)
Profit before taxation				124,921
Tax expense				(29,994)
Profit for the financial period				94,927

**Geographical segment**

	Revenue Quarter ended		EBITDA Quarter ended	
	31/3/2025 RM'000	31/3/2024 RM'000	31/3/2025 RM'000	31/3/2024 RM'000
Malaysia	561,719	584,211	124,115	104,627
Singapore	205,452	210,017	12,374	19,742
Vietnam	401,378	471,691	47,601	29,929
Indonesia	856,691	974,856	45,089	65,904
Philippines	182,205	167,264	31,882	20,419
	2,207,445	2,408,039	261,061	240,621

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**A9. SEGMENTAL INFORMATION (CONTINUED)**

**Geographical segment (Continued)**

	Total non-current assets		Total borrowing	
	as at		as at	
	31/3/2025	31/12/2024	31/3/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,652,873	1,630,000	723,686	713,778
Singapore	298,433	301,986	230,247	226,088
Vietnam	405,751	422,399	330,033	424,035
Indonesia	535,461	566,536	439,795	491,646
Philippines	289,556	279,003	137,976	139,158
	<u>3,182,074</u>	<u>3,199,924</u>	<u>1,861,737</u>	<u>1,994,705</u>

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

**A10. PROPERTY, PLANT AND EQUIPMENT**

(i) Acquisition and disposal

During the financial period ended 31 March 2025, the Group acquired property, plant and equipment amounting to RM72.6 million (period ended 31 March 2024: RM63.9 million) and disposed property, plant and equipment amounting to RM0.5 million (period ended 31 March 2024: RM1.0 million).

(ii) Revaluation

There was no revaluation of property, plant and equipment for the year ended 31 March 2025 (period ended 31 March 2024: RM Nil).

**A11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The announcements dated 5 August 2022, 9 August 2022, 5 September 2022, 14 October 2022, 19 December 2022, 31 January 2023, 22 December 2023, 9 January 2024, 6 December 2024, 20 December 2024, 6 January 2025 and 8 April 2025 refer.

On 22 December 2023, Leong Hup Feedmill Malaysia Sdn. Bhd. ("LFM"), a wholly-owned subsidiary of Leong Hup International Berhad ("the Company") received a Notice of Finding of An Infringement under Section 40 of the Competition Act 2010 dated 11 December 2023, together with the Decision of Infringement of Section 4(1) read with Sections 4(2)(a) and 4(3) of the Competition Act 2010 dated 11 December 2023 from Malaysia Competition Commission ("Decision").

A11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES (CONTINUED)

In the Decision, Malaysia Competition Commission (“MyCC”) maintains its findings of price-fixing infringement under Section 40 of the Competition Act 2010 with an imposition of financial penalty of RM157,470,027.02 on LFM.

The Company and LFM strongly believe that the allegation of the aforesaid infringement is without merit. In consultation with its external legal counsels, LFM had on 9 January 2024 appealed the Decision via the filing of the Notice of Appeal with the Competition Appeal Tribunal (“CAT”) and applied for a stay of the Decision.

The CAT had on 6 December 2024 dismissed LFM’s application to stay the Decision pending the disposal of LFM’s appeal to the CAT against the Decision (“CAT Decision on Stay”). LFM then filed an application for leave at the High Court to institute judicial review proceeding against the CAT Decision on Stay and sought an ad interim stay order in relation to MyCC’s Decision requiring payment of the financial penalty.

On 2 January 2025, the High Court of Kuala Lumpur had granted LFM leave to institute judicial review proceeding against the CAT Decision on Stay and granted an ad interim stay order in relation to the MyCC’s Decision, pending disposal of LFM’s interim stay application. LFM’s interim stay application sought to stay all actions, proceedings and enforcement of the MyCC’s Decision pending disposal of LFM’s judicial review application. On 8 April 2025, the High Court of Kuala Lumpur ordered a stay on all actions, proceedings, execution and enforcement of MyCC’s Decision, pending disposal of LFM’s judicial review application, with costs in cause.

The High Court has fixed the hearing of LFM’s judicial review application on 23 July 2025.

Meanwhile, the hearing of LFM’s appeal against MyCC’s decision at the CAT was conducted on 18 February 2025 and the counsel of LFM had made its oral submissions in reply on 18 April 2025.

A12. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	As at 31/3/2025 RM'000
Acquisition of property, plant and equipment:	
- approved and contracted for	58,181

A13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group in the current financial quarter.

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**A14. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

There were no material events subsequent to the end of the current financial quarter and up to the date of this report.

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The related party transactions described below were carried out on terms and conditions negotiated amongst the parties. The significant related party transactions are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
	31/3/2025	31/3/2024	31/3/2025	31/3/2024
	RM'000	RM'000	RM'000	RM'000
Associated companies:				
Interest income	452	409	452	409
Companies controlled by Lau family*:				
Sales of goods	132,346	172,489	132,346	172,489
Management fee received/receivable	23	-	23	-
Rental received/receivables	146	1,024	146	1,024
Interest receivables	5	56	5	56
Purchases of goods	(139,489)	(156,436)	(139,489)	(156,436)
Transportation charges paid/payable	(3,782)	(3,351)	(3,782)	(3,351)
Purchases of sundries paid/payable	(2,549)	(2,675)	(2,549)	(2,675)
Rental paid/payables	(786)	(745)	(786)	(745)
Purchase of property, plant and equipment	(16)	(2)	(16)	(2)
Royalty fee paid/payable	(1,862)	(1,908)	(1,862)	(1,908)
Companies controlled by Nam family^:				
Transportation charges paid/payable	(2,526)	(2,681)	(2,526)	(2,681)

\* Lau family refers to family members who, collectively control Emerging Glory Sdn Bhd, the ultimate holding company, and the Company. The following Lau family members are Directors of the Company: Lau Chia Nguang, Tan Sri Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat collectively.

^ Nam family refers to family members who have significant financial interest in an indirect subsidiary of LHI, Teo Seng Capital Berhad, a company listed on Main Market of Bursa Securities. Nam Hiok Joo from the Nam family is a Director of Teo Seng Capital Berhad.



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## B. ADDITIONAL INFORMATION AS REQUIRED BY BURSA SECURITIES MAIN LISTING REQUIREMENTS (APPENDIX 9B)

### B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarter ended		Changes	Year-to-date ended		Changes
	31/3/2025 RM'000	31/3/2024 RM'000		31/3/2025 RM'000	31/3/2024 RM'000	
Revenue:						
Livestock and poultry related products	1,324,735	1,315,764	0.7%	1,324,735	1,315,764	0.7%
Feedmill	882,710	1,092,275	(19.2%)	882,710	1,092,275	(19.2%)
Others	3,460	2,934	17.9%	3,460	2,934	17.9%
	<u>2,210,905</u>	<u>2,410,973</u>	<u>(8.3%)</u>	<u>2,210,905</u>	<u>2,410,973</u>	<u>(8.3%)</u>
EBITDA:						
Livestock and poultry related products	113,606	78,946	43.9%	113,606	78,946	43.9%
Feedmill	148,201	164,560	(9.9%)	148,201	164,560	(9.9%)
Others	(746)	(2,885)	74.1%	(746)	(2,885)	74.1%
	<u>261,061</u>	<u>240,621</u>	<u>8.5%</u>	<u>261,061</u>	<u>240,621</u>	<u>8.5%</u>

#### Livestock and poultry related products

The Group's revenue from sales of livestock and poultry related products marginally increased by 0.7% from RM1,315.8 million in the financial quarter ended ("FQE") 31 March 2024 to RM1,324.7 million in the FQE 31 March 2025.

While the Philippines saw revenue growth driven by higher average selling price and sales volume of dressed chicken, this was offset by the reduction in Malaysia and Singapore markets, leading to minimal overall change in revenue.

Although average selling prices of Day-Old-Chick("DOC") and broiler chicken in Malaysia increased, the revenue decreased due to lower average selling price of eggs. Singapore's revenue decreased mainly from lower average selling price and sales volume of fresh chicken and lower sales volume of ducks.

Despite a marginal 0.7% increase in revenue, EBITDA surged by 43.9%, driven by higher average selling prices and reduced costs mainly contributed by Malaysia, Vietnam and the Philippines.

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER (CONTINUED)

Feedmill

The Group's revenue from Feedmill decreased by 19.2% from RM1,092.3 million in the FQE 31 March 2024 to RM882.7 million in the FQE 31 March 2025.

The decrease was due primarily to lower average selling price in all countries that the group operates in, following the reduction in raw material costs and lower sales volume in Vietnam and Malaysia.

EBITDA was lower by 9.9%, largely contributed by lower revenue, partially offset by the effects of timing difference in passing the cost savings to customers in the current quarter under review.

B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		
	Quarter ended		Changes %
	31/3/2025 RM'000	31/12/2024 RM'000	
Revenue	2,210,905	2,315,127	(4.5%)
Profit from operations	184,637	278,194	(33.6%)
Profit before taxation	158,396	249,191	(36.4%)

The Group recorded a slightly lower revenue of RM2.21 million(4.5% reduction compared to the preceding quarter), primarily attributable to lower average selling prices and sales volume across key product segments and markets.

In Malaysia, the eggs segment was affected by a decrease in both average selling price and volume. However, the impact was partially mitigated by an increase in the average selling prices of broiler chicken and DOC. In Indonesia, revenue was further pressured by lower average selling prices and sales volumes of DOC and lower average selling price of broiler chicken. While in Vietnam, the drop in revenue was mainly attributed to lower average selling price and sales volume of broiler chicken.

The feedmill segment also experienced a decline in both average selling price and sales volume across Malaysia, Vietnam, and the Philippines.

Despite the marginal decline in revenue, the Group's profit before taxation contracted by 36.4%, primarily due to a lower average selling prices in most of the key products as well as reduction in government subsidies recognised in the current quarter under review. These factors significantly affected margins and contributed to a disproportionate decline in profitability relative to revenue.

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**B3. PROSPECTS**

The recent announcements of tariff hikes by the new administration of the United States of America are expected to shift the global market dynamics and fears of global economic downturn have accelerated.

Looking ahead, despite the uncertainty and headwinds, the Group remains cautiously optimistic as opportunity for growth in chicken and egg per capita consumption remains high in the countries where we operate in. In addition, we expect margins to be cushioned with the easing of feed input costs, particularly corn and soybean meal.

In light of the uncertainty and challenging times ahead, the Group will exercise prudence in managing its financial resources. Barring any unforeseen circumstances, the Group expects to deliver a satisfactory performance in 2025.

**B4. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST OR PROFIT GUARANTEE**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**B5. PROFIT BEFORE TAXATION**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
	31/3/2025	31/3/2024	31/3/2025	31/3/2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Amortisation of right-of-use assets	10,944	9,991	10,944	9,991
Bad debt write off/(recovered)	(67)	38	(67)	38
Depreciation of :				
-investment properties	20	28	20	28
-property, plant and equipment	65,460	69,514	65,460	69,514
Expense recognised in respect of defined benefit plan	1,918	1,889	1,918	1,889
Farmer incentives and contract grower	25,186	29,253	25,186	29,253
Fair value gains on derivative financial instruments	(159)	(2,528)	(159)	(2,528)
Gains on foreign exchange	(3,121)	(1,815)	(3,121)	(1,815)
Losses/(Gains) on disposal of :				
-property, plant and equipment	(373)	732	(373)	732
-right-of-use assets	-	(22)	-	(22)
Gain on termination of leases	-	(9)	-	(9)
Government grant	(760)	(1,008)	(760)	(1,008)
Government subsidies	(29,630)	(9,177)	(29,630)	(9,177)

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**B5. PROFIT BEFORE TAXATION (CONTINUED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
	31/3/2025	31/3/2024	31/3/2025	31/3/2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at				
after charging/(crediting):				
Impairment losses/(Reversal of impairment):				
-trade receivables	(365)	2,268	(365)	2,268
-other receivables	3	(1)	3	(1)
-inventories	223	(20)	223	(20)
Interest expense	26,357	36,195	26,357	36,195
Interest income	(5,380)	(3,724)	(5,380)	(3,724)
Packing materials	4,441	5,085	4,441	5,085
Property, plant and equipment written off	1,089	679	1,089	679
Promotional and marketing expenses	3,780	2,135	3,780	2,135
Rental expense	1,506	1,309	1,506	1,309
Rental income	(746)	(703)	(746)	(703)
Travelling expenses	2,137	3,077	2,137	3,077

Note: Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

**B6. TAX EXPENSE**

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	31/3/2025	31/3/2025
	RM'000	RM'000
Current tax recognised in profit or loss:		
- Malaysian income tax	17,064	17,064
- Foreign tax	13,700	13,700
- Underprovision in prior years	88	88
	30,852	30,852
Deferred taxation recognised in profit or loss:		
- Origination and reversal of temporary differences	(8,517)	(8,517)
- Overprovision in prior years	(4,738)	(4,738)
	17,597	17,597
Real Property Gain Tax	117	117
Tax expense	17,714	17,714

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**B7. STATUS OF CORPORATE PROPOSAL**

There was no corporate proposal as at the date of this report.

**B8. BORROWINGS**

	As at 31/3/2025 RM'000	As at 31/12/2024 RM'000
<b>Current</b>		
<u>Secured:</u>		
Bank overdrafts	2,620	8,621
Term loans	112,042	108,201
Revolving credits	272,882	287,730
Hire purchase liabilities	4,367	3,693
	<u>391,911</u>	<u>408,245</u>
<u>Unsecured:</u>		
Bankers' acceptances	192,024	202,647
Bank overdrafts	-	-
Term loans	28,578	35,142
Revolving credits	236,028	154,425
Trust receipts	353,860	455,299
Sukuk Mudharabah	163,000	163,000
	<u>973,490</u>	<u>1,010,513</u>
<b>Total Current</b>	<u>1,365,401</u>	<u>1,418,758</u>
<b>Non current</b>		
<u>Secured:</u>		
Term loans	378,428	416,019
Hire purchase liabilities	4,021	2,734
<u>Unsecured:</u>		
Term loans	41,067	54,039
Sukuk Mudharabah	72,820	103,155
<b>Total non current</b>	<u>496,336</u>	<u>575,947</u>
<b>Total borrowings</b>	<u>1,861,737</u>	<u>1,994,705</u>

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B8. BORROWINGS (CONTINUED)

	As at 31/3/2025 RM'000	As at 31/12/2024 RM'000
Total borrowings		
Bankers' acceptances	192,024	202,647
Bank overdrafts	2,620	8,621
Term loans	560,115	613,401
Revolving credits	508,910	442,155
Trust receipts	353,860	455,299
Hire purchase liabilities	8,388	6,427
Sukuk Mudharabah	235,820	266,155
	<u>1,861,737</u>	<u>1,994,705</u>
The currency profile of borrowings is as follows:		
Ringgit Malaysia	723,686	713,778
Singapore Dollar	230,247	226,088
Indonesia Rupiah	439,795	491,645
US Dollar	545	16,028
Vietnamese Dong	329,488	408,008
Philippines Peso	137,976	139,158
	<u>1,861,737</u>	<u>1,994,705</u>

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**B9. DERIVATIVES**

As at 31 March 2025, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

	As at 31/3/2025		As at 31/12/2024	
	Contract/ Notional Amount RM'000	Fair Value Amount RM'000	Contract/ Notional Amount RM'000	Fair Value Amount RM'000
<b>Current asset</b>				
Forward foreign exchange contracts	23,064	455	54,750	789
Derivative financial assets	23,064	455	54,750	789
<b>Current liabilities</b>				
Forward foreign exchange contracts	(2,967)	(13)	-	-
Derivative financial liabilities	(2,967)	(13)	-	-

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2024:

- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the financial derivatives;
- (c) the policy in place for mitigating or controlling the risks associated with these financial derivatives; and
- (d) the related accounting policies.

**B10. MATERIAL LITIGATION**

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group.

**B11. DIVIDENDS PROPOSED**

On 29 May 2025, the Board had declared a single-tier first interim dividend of 1.00 sen per ordinary share amounting to RM36.0 million in respect of the financial year ending 31 December 2025, payable on 1 July 2025 to depositors registered in the Records of Depositors at close of business on 16 June 2025. (On 25 April 2024, the Board had declared a single-tier first interim dividend of 1.30 sen per ordinary share amounting to RM47.45 million in respect of the financial year ended 31 December 2024, paid on 27 May 2024)

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**B12. EARNINGS PER SHARE (“EPS”)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
	31/3/2025	31/3/2024	31/3/2025	31/3/2024
Profit attributable to owners of the Company (RM'000)	101,801	56,579	101,801	56,579
Weighted average number of ordinary shares :				
- brought forward ('000)	3,632,785	3,650,000	3,632,785	3,650,000
- bought back ('000)	(10,628)	-	(10,628)	-
Weighted average number of ordinary shares in issue (Basic) ('000)	3,622,157	3,650,000	3,622,157	3,650,000
Basic EPS (sen)	2.81	1.55	2.81	1.55
Diluted EPS (sen)	2.81	1.55	2.81	1.55

*Note:*

*The potential conversion of ESOS options is anti-dilutive for year to date ended 31 March 2025 as their exercise prices threshold were higher than the average market price ('out of the money') of the Company's ordinary shares during the financial period. Accordingly, the exercise of ESOS had been ignored in the calculation of dilutive earnings per share and the diluted earnings per ordinary share is the same as the basic earnings per ordinary share.*

**B13. APPROVAL OF INTERIM FINANCIAL REPORT**

The interim financial report as set out above was approved by the Board in accordance with their resolution dated 29 May 2025.