

**LEONG HUP INTERNATIONAL BERHAD**

(Company No. 201401022577) (1098663 – D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Year-to-date ended	
		30/6/2025	30/6/2024	30/6/2025	30/6/2024
		RM'000	RM'000	RM'000	RM'000
Revenue		2,133,498	2,355,069	4,344,403	4,766,042
Other income		51,833	9,647	97,103	33,271
Operating expenses		(2,004,513)	(2,146,051)	(4,076,051)	(4,419,559)
Profit from operations		180,818	218,665	365,455	379,754
Share of profits of associates		110	44	226	71
Finance costs		(24,969)	(34,157)	(51,326)	(70,352)
Profit before taxation	B5	155,959	184,552	314,355	309,473
Tax expense	B6	(37,331)	(40,404)	(55,045)	(70,398)
Net profit for the financial period		118,628	144,148	259,310	239,075
Other comprehensive income:					
Item that will be subsequently reclassified to profit or loss:					
Currency translation differences		(80,303)	(47,965)	(116,148)	(39,499)
Other comprehensive income for the financial period		(80,303)	(47,965)	(116,148)	(39,499)
Total comprehensive income for the financial period		38,325	96,183	143,162	199,576

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended		Year-to-date ended	
		30/6/2025	30/6/2024	30/6/2025	30/6/2024
		RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to:					
Owners of the Company		90,294	96,495	192,095	153,074
Non-Controlling Interests		28,334	47,653	67,215	86,001
		118,628	144,148	259,310	239,075
Total comprehensive income attributable to:					
Owners of the Company		18,954	59,382	86,726	124,703
Non-Controlling Interests		19,371	36,801	56,436	74,873
		38,325	96,183	143,162	199,576
Earning per share (sen)					
Basic	B12	2.51	2.64	5.32	4.19
Diluted	B12	2.51	2.64	5.32	4.19

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 SECOND QUARTER ENDED 30 JUNE 2025

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As at 30/6/2025 RM'000	Audited As at 31/12/2024 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		2,641,812	2,683,265
Investment properties		40,332	31,148
Right-of-use assets		375,821	392,466
Intangible assets		91,469	91,235
Investment in associates		2,052	1,810
Financial assets at fair value through other comprehensive income		4,468	4,446
Other receivables and deposits		23,083	13,003
Amount owing by Associates		27,097	27,925
Deferred tax assets		65,627	63,597
Total Non-Current Assets		3,271,761	3,308,895
<b>Current Assets</b>			
Biological assets		593,344	571,763
Inventories		817,583	968,600
Trade receivables		618,821	623,171
Other receivables and prepaid expenses		193,484	165,085
Derivative financial assets	B9	-	789
Tax recoverable		18,837	35,322
Cash and bank balances		801,524	770,670
Total Current Assets		3,043,593	3,135,400
<b>TOTAL ASSETS</b>		<b>6,315,354</b>	<b>6,444,295</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		1,500,714	1,500,714
Treasury share		(34,229)	(11,547)
Merger reserve		(662,966)	(662,966)
Reserve		1,674,924	1,622,415
Equity attributable to owners of the Company		2,478,443	2,448,616
Non-controlling interests		897,763	878,820
<b>TOTAL EQUITY</b>		<b>3,376,206</b>	<b>3,327,436</b>

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

		Unaudited As at 30/6/2025 RM'000	Audited As at 31/12/2024 RM'000
	Note		
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		139,632	150,582
Bank borrowings	B8	443,223	575,947
Lease liabilities		140,739	145,394
Deferred Income		518	687
Provision for Asset Retirement Obligation		5,079	4,918
Post-employment benefits obligation		40,093	39,908
Total Non-Current Liabilities		769,284	917,436
<b>Current Liabilities</b>			
Trade payables		300,251	311,641
Other payables and accrued expenses		327,876	406,871
Bank borrowings	B8	1,429,395	1,418,758
Lease liabilities		30,368	30,708
Derivative financial liabilities	B9	2,029	-
Deferred Income		346	344
Dividend payable		35,989	-
Tax payable		43,610	31,101
Total Current Liabilities		2,169,864	2,199,423
<b>TOTAL LIABILITIES</b>		2,939,148	3,116,859
<b>TOTAL EQUITY AND LIABILITIES</b>		6,315,354	6,444,295
<b>Net assets per share attributable to ordinary equity holders (RM)</b>		0.6892	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 SECOND QUARTER ENDED 30 JUNE 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	-	-	-	-	-	192,095	192,095	67,215	259,310
Other comprehensive income:									
Currency translation differences	-	-	-	(105,372)	3	-	(105,369)	(10,779)	(116,148)
Total other comprehensive income	-	-	-	(105,372)	3	-	(105,369)	(10,779)	(116,148)
Total comprehensive Income	-	-	-	(105,372)	3	192,095	86,726	56,436	143,162
Transactions with owners:									
Purchase of treasury shares	-	(22,682)	-	-	-	-	(22,682)	-	(22,682)
Changes in equity interest in subsidiaries	-	-	-	-	-	-	-	(4,011)	(4,011)
Dividends paid	-	-	-	-	-	-	-	(33,482)	(33,482)
Dividends payable	-	-	-	-	-	(35,989)	(35,989)	-	(35,989)
Share options lapsed	-	-	-	-	(76)	76	-	-	-
Share options expense	-	-	-	-	1,772	-	1,772	-	1,772
	-	(22,682)	-	-	1,696	(35,913)	(56,899)	(37,493)	(94,392)
Balance as at 30 June 2025	1,500,714	(34,229)	(662,966)	(184,836)	4,976	1,854,784	2,478,443	897,763	3,376,206

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## 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	-	-	-	-	-	153,074	153,074	86,001	239,075
Other comprehensive income:									
Currency translation differences	-	-	-	(28,371)	-	-	(28,371)	(11,128)	(39,499)
Total other comprehensive income	-	-	-	(28,371)	-	-	(28,371)	(11,128)	(39,499)
Total comprehensive income	-	-	-	(28,371)	-	153,074	124,703	74,873	199,576
Transactions with owners:									
Dividends paid	-	-	-	-	-	(47,450)	(47,450)	(13,018)	(60,468)
Issuance of share in subsidiary	-	-	-	-	-	-	-	400	400
Changes in equity interest in subsidiaries	-	-	-	-	-	(4,029)	(4,029)	(438)	(4,467)
Share options lapsed	-	-	-	-	(11,097)	11,097	-	-	-
	-	-	-	-	(11,097)	(40,382)	(51,479)	(13,056)	(64,535)
Balance as at 30 June 2024	1,499,684	-	(662,966)	(856)	-	1,474,068	2,309,930	780,239	3,090,169

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 SECOND QUARTER ENDED 30 JUNE 2025

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	Year-to-date ended	
	30/6/2025	30/6/2024
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	314,355	309,473
Adjustments for: non-cash items	206,241	224,915
Operating profit before working capital changes	520,596	534,388
<u>Net Movement In:</u>		
Biological assets	(37,416)	(1,675)
Inventories	133,472	45,247
Receivables	(35,715)	3,652
Payables	(87,252)	(160,744)
Net cash from operations	493,685	420,868
Tax paid	(55,077)	(20,318)
Tax refund	11,436	-
Net cash flow from operating activities	450,044	400,550
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from disposal of property, plant and equipment	3,853	895
Proceeds from disposal of right-of-use assets	129	308
Interest income received	10,110	7,478
Addition of property, plant and equipment	(164,026)	(110,728)
Addition of investment properties	(2,478)	(574)
Addition of right-of-use assets	(12,206)	(12,525)
Additional investment in associates company	(25)	(4,468)
(Placement)/Withdrawal of fixed deposit pledged	(7,990)	8,571
(Placement)/Withdrawal of fixed deposit with more than 3 months maturity	(74,544)	25,087
Net cash flow from investing activities	(247,177)	(85,956)

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

	CUMULATIVE QUARTER	
	Year-to-date ended	
	30/6/2025	30/6/2024
	RM'000	RM'000
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Finance costs paid	(50,690)	(69,384)
Proceeds from term loans	14,812	26,226
Repayments of term loans	(83,079)	(112,512)
Repayments of sukuk	(63,000)	(34,000)
Net drawdown/(repayments) of short term borrowings	68,309	(26,022)
Repayments of hire purchase liabilities	(3,183)	(6,284)
Repayments of lease liabilities	(19,367)	(14,674)
Purchase of treasury shares	(22,682)	400
Dividends paid to owners of the Company	-	(91,250)
Dividends paid to non-controlling interest of subsidiaries	(33,482)	(13,018)
Net cash flow from financing activities	(192,362)	(340,518)
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,505	(25,924)
Effect of exchange translation differences	(8,803)	(3,618)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	678,684	627,270
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	680,386	597,728
Cash and cash equivalents comprise the following:		
Cash and bank balances	801,524	636,871
Bank overdrafts	(8,183)	(4,009)
	793,341	632,862
Less:		
Fixed deposits pledged as collateral	(21,525)	(13,341)
Fixed deposits of more than 3 months maturity period	(91,430)	(21,793)
	680,386	597,728

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 SECOND QUARTER ENDED 30 JUNE 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 30 June 2025, the Company repurchased 36,892,300 ordinary shares from the open market for a total consideration of RM22.7 million at an average price of RM0.61.

As at 30 June 2025, of the total 3,651,701,800 issued and fully paid ordinary shares, 55,809,200 ordinary shares were 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

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, was paid on 1 July 2025.

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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 30 June 2025</b>				
Revenue from sales of goods:				
- external customers	1,298,112	831,997	-	2,130,109
- inter-segment	-	266,080	(266,080)	-
Revenue from sales of goods	1,298,112	1,098,077	(266,080)	2,130,109
Revenue from other sources				3,389
Total revenue				<u>2,133,498</u>
EBITDA (*)	117,204	139,520	622	257,346
Depreciation and amortisation	(59,040)	(16,468)	(1,020)	(76,528)
	58,164	123,052	(398)	180,818
Share of profit of associates				110
Finance costs				(24,969)
Profit before taxation				155,959
Tax expense				(37,331)
Profit for the financial quarter				<u>118,628</u>

(\*) - 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 30 June 2024</b>				
Revenue from sales of goods:				
- external customers	1,367,993	984,177	-	2,352,170
- inter-segment	-	305,787	(305,787)	-
Revenue from sales of goods	1,367,993	1,289,964	(305,787)	2,352,170
Revenue from other sources				2,899
Total revenue				<u>2,355,069</u>
EBITDA	145,311	151,911	(777)	296,445
Depreciation and amortisation	(60,898)	(17,409)	527	(77,780)
	84,413	134,502	(250)	218,665
Share of profit of associates				44
Finance costs				(34,157)
Profit before taxation				184,552
Tax expense				(40,404)
Profit for the financial quarter				<u>144,148</u>

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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>Year-to-date ended 30 June 2025</b>				
Revenue from sales of goods:				
- external customers	2,622,847	1,714,707	-	4,337,554
- inter-segment	-	525,676	(525,676)	-
Revenue from sales of goods	2,622,847	2,240,383	(525,676)	4,337,554
Revenue from other sources				6,849
Total revenue				4,344,403
EBITDA	230,810	287,721	(124)	518,407
Depreciation and amortisation	(117,263)	(33,582)	(2,107)	(152,952)
	113,547	254,139	(2,231)	365,455
Share of profits of associates				226
Finance costs				(51,326)
Profit before taxation				314,355
Tax expense				(55,045)
Profit for the financial period				259,310

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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>Year-to-date ended 30 June 2024</b>				
Revenue from sales of goods:				
- external customers	2,683,757	2,076,452	-	4,760,209
- inter-segment	-	628,878	(628,878)	-
Revenue from sales of goods	2,683,757	2,705,330	(628,878)	4,760,209
Revenue from other sources				5,833
Total revenue				4,766,042
EBITDA	224,257	316,471	(3,662)	537,066
Depreciation and amortisation	(123,294)	(35,079)	1,061	(157,312)
	100,963	281,392	(2,601)	379,754
Share of profits of associates				71
Finance costs				(70,352)
Profit before taxation				309,473
Tax expense				(70,398)
Profit for the financial period				239,075

**Geographical segment**

	Revenue Quarter ended		EBITDA Quarter ended	
	30/6/2025 RM'000	30/6/2024 RM'000	30/6/2025 RM'000	30/6/2024 RM'000
Malaysia	588,171	571,618	150,482	101,304
Singapore	198,755	204,331	14,767	15,622
Vietnam	389,997	467,179	45,801	43,847
Indonesia	762,414	942,711	12,113	108,570
Philippines	190,772	166,331	34,183	27,102
	2,130,109	2,352,170	257,346	296,445

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**A9. SEGMENTAL INFORMATION (CONTINUED)**

**Geographical segment (Continued)**

	Revenue		EBITDA	
	Year-to-date ended		Year-to-date ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,149,890	1,155,829	274,597	205,931
Singapore	404,207	414,348	27,141	35,364
Vietnam	791,375	938,870	93,402	73,776
Indonesia	1,619,105	1,917,567	57,202	174,474
Philippines	372,977	333,595	66,065	47,521
	<u>4,337,554</u>	<u>4,760,209</u>	<u>518,407</u>	<u>537,066</u>
	Total non-current assets		Total borrowing	
	as at		as at	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,688,966	1,630,000	754,631	713,778
Singapore	294,065	301,986	221,890	226,088
Vietnam	371,112	422,399	262,143	424,035
Indonesia	512,678	566,536	463,349	491,646
Philippines	284,665	279,003	170,605	139,158
	<u>3,151,486</u>	<u>3,199,924</u>	<u>1,872,618</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 30 June 2025, the Group acquired property, plant and equipment amounting to RM164.0 million (period ended 30 June 2024: RM121.3 million) and disposed property, plant and equipment amounting to RM2.4 million (period ended 30 June 2024: RM1.2 million).
- (ii) Revaluation  
There was no revaluation of property, plant and equipment for the year ended 30 June 2025 (period ended 30 June 2024: RM Nil).



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## 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”).

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 hearing of LFM’s judicial review application at the High Court of Kuala Lumpur was concluded on 23 July 2025. The High Court judge has fixed 2 October 2025 to deliver his decision.

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 30/6/2025 RM'000
Acquisition of property, plant and equipment:	
- approved and contracted for	63,551

A13. CHANGES IN THE COMPOSITION OF THE GROUP

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

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.

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**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	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	RM'000	RM'000	RM'000	RM'000
Associated companies:				
Interest income	466	458	918	867
Companies controlled by Lau family*:				
Sales of goods	134,931	185,879	267,277	358,368
Management fee received/receivable	8	-	31	-
Rental received/receivables	1,195	2,379	2,431	3,403
Interest receivables	23	7	28	63
Purchases of goods	(120,279)	(97,807)	(259,768)	(254,243)
Transportation charges paid/payable	(4,086)	(3,357)	(7,868)	(6,708)
Purchases of sundries paid/payable	(1,887)	(2,432)	(4,436)	(5,107)
Rental paid/payables	(791)	(842)	(1,577)	(1,587)
Purchase of property, plant and equipment	(27)	(44)	(43)	(46)
Royalty fee paid/payable	-	-	(1,862)	(1,908)
Companies controlled by Nam family^:				
Transportation charges paid/payable	(2,387)	(2,469)	(4,913)	(5,150)

\* 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
	30/6/2025 RM'000	30/6/2024 RM'000		30/6/2025 RM'000	30/6/2024 RM'000	
Revenue:						
Livestock and poultry						
related products	1,298,112	1,367,993	(5.1%)	2,622,847	2,683,757	(2.3%)
Feedmill	831,997	984,177	(15.5%)	1,714,707	2,076,452	(17.4%)
Others	3,389	2,899	16.9%	6,849	5,833	17.4%
	<u>2,133,498</u>	<u>2,355,069</u>	<u>(9.4%)</u>	<u>4,344,403</u>	<u>4,766,042</u>	<u>(8.8%)</u>
EBITDA:						
Livestock and poultry						
related products	117,204	145,311	(19.3%)	230,810	224,257	2.9%
Feedmill	139,520	151,911	(8.2%)	287,721	316,471	(9.1%)
Others	622	(777)	180.1%	(124)	(3,662)	96.6%
	<u>257,346</u>	<u>296,445</u>	<u>(13.2%)</u>	<u>518,407</u>	<u>537,066</u>	<u>(3.5%)</u>

#### Livestock and poultry related products

##### a) Individual Quarter

The Group's revenue from sales of livestock and poultry related products decreased by 5.1% from RM1,368.0 million in the financial quarter ended ("FQE") 30 June 2024 to RM1,298.1 million in the FQE 30 June 2025.

Revenue decreased primarily driven by the decline in the Indonesian market, which was impacted by lower selling prices and reduced sales volumes of Day-Old Chicks (DOC), as well as a decline in broiler selling prices, partially mitigated by higher broiler sales volumes.

In contrast, revenue in Malaysia increased, supported by higher prices and sales volumes of DOC and increased broiler sales volume, although partially offset by a decline in broiler selling prices. Table eggs selling prices also declined during the quarter under review, partially mitigated by higher sales volumes. Meanwhile, the Philippines recorded revenue growth, mainly driven by higher selling prices and sales volumes of dressed chicken and broiler.

As a result, EBITDA declined by 19.3% compared to same period last year.

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER (CONTINUED)

Livestock and poultry related products (Continued)

b) Cumulative Quarter

The Group's revenue from sales of livestock and poultry related products decreased by 2.3% from RM2,683.8 million in the financial period ended ("FPE") 30 June 2024 to RM2,622.8 million in the FPE 30 June 2025.

Revenue was lower primarily due to the decline in the Indonesia market. The decline in revenue in Indonesia was driven by lower selling prices and sales volumes of DOC, as well as lower broiler selling prices, partially offset by higher broiler sales volume. Revenue was marginally lower in Vietnam during the period under review, mainly due to lower sales volume of broiler and lower selling price of table eggs.

Meanwhile, revenue was higher in Malaysia during the period under review, supported by higher selling prices and sales volumes of DOC, increased broiler sales volumes, and higher table eggs sales volumes, partially offset by lower table eggs and broiler selling prices. The Philippines recorded a higher revenue, mainly driven by higher selling prices and sales volumes of dressed chicken, partially offset by lower revenue from broilers and DOC.

Despite the decline in overall revenue, EBITDA increased by 2.9%, primarily supported by improved margins across key operating markets.

Feedmill

a) Individual Quarter

The Group's revenue from Feedmill decreased by 15.5% from RM984.2 million in the FQE 30 June 2024 to RM832.0 million in the FQE 30 June 2025.

Revenue was lower primarily due to lower selling prices, despite higher sales volume in Indonesia. This was followed by Vietnam and Malaysia, which experienced both lower selling prices and reduced sales volume. In contrast, the Philippines recorded an increase in feed revenue, driven by higher sales volume, although this was partially offset by lower selling prices.

Overall, the segment's EBITDA declined by 8.2% compared to same period last year.

B1. REVIEW OF PERFORMANCE FOR CURRENT QUARTER (CONTINUED)

Feedmill (Continued)

b) Cumulative Quarter

The Group's revenue from feedmill decreased by 17.4% from RM2,076.5 million in the FPE 30 June 2024 to RM1,714.7 million in the FPE 30 June 2025.

Revenue was lower primarily due to lower selling prices in Indonesia, partially offset by an increase in sales volume. In addition, revenue was also lower in Vietnam and Malaysia, which experienced reductions in both selling prices and sales volume. Meanwhile, the Philippines recorded revenue growth, supported by higher sales volume, which more than offset the impact of lower selling prices.

Overall, segment EBITDA decreased by 9.1% compared to same period last year.

B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		
	Quarter ended		Changes %
	30/6/2025 RM'000	31/3/2025 RM'000	
Revenue	2,133,498	2,210,905	(3.5%)
Profit from operations	180,818	184,637	(2.1%)
Profit before taxation	155,959	158,396	(1.5%)

The Group recorded a lower revenue of RM2.13 million for the FPE 30 June 2025, which was 3.5% lower compared to the preceding quarter, primarily attributed to Indonesia, which experience lower selling prices and sales volumes for feed and DOC, alongside lower broiler selling prices, which was partially offset by an increase in broiler sales volume.

Meanwhile, Malaysia recorded growth in revenue, supported by higher selling prices and sales volumes of DOC, as well as increased broiler sales volume, which more than offset the impact from lower broiler selling prices.

Overall, profit before tax declined by 1.5% compared to the preceding quarter.

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**B3. PROSPECTS**

In light of the heightened uncertainty arising from the tariff announcements by the United States of America, the Group will continue to be prudent in managing its resources to deliver sustainable growth. The Group remains cautiously optimistic as opportunity for growth in chicken and egg consumption per capita remains high in the countries where we operate in. In addition, we expect margins to remain relatively stable with the current outlook on feed input costs, particularly from corn and soybean meal.

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	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Amortisation of right-of-use assets	11,252	10,826	22,196	20,817
Bad debt write off/(recovered)	(370)	211	(437)	249
Depreciation of :				
-investment properties	145	53	165	81
-property, plant and equipment	65,131	66,900	130,591	136,414
Expense recognised in respect of defined benefit plan	2,423	1,876	4,341	3,765
Farmer incentives and contract grower	28,784	29,648	53,970	58,901
Fair value losses/(gains) on derivative financial instruments	2,278	186	2,119	(2,342)
Losses/(Gains) on foreign exchange	2,068	(1,165)	(1,053)	(2,980)
Losses/(Gains) on disposal of :				
-property, plant and equipment	(1,093)	(446)	(1,466)	286
-right-of-use assets	-	(11)	-	(33)
Gain on termination of leases	-	(15)	-	(24)
Government grant	(152)	(553)	(912)	(1,561)
Government subsidies	(39,509)	-	(69,139)	(9,177)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Impairment losses/(Reversal of impairment):				
-trade receivables	(429)	599	(794)	2,867
-other receivables	(3)	3	-	2
-inventories	511	167	734	147
Interest expense	24,969	34,157	51,326	70,352
Interest income	(4,730)	(3,754)	(10,110)	(7,478)
Packing materials	4,828	6,150	9,269	11,235
Property, plant and equipment written off	1,318	582	2,407	1,261
Promotional and marketing expenses	2,246	2,191	6,026	4,326
Rental expense	1,764	2,026	3,270	3,335
Rental income	(4,093)	(3,546)	(8,259)	(7,149)
Travelling expenses	2,247	3,520	4,384	6,597

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

**B6. TAX EXPENSE**

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	30/6/2025	30/6/2025
	RM'000	RM'000
Current tax recognised in profit or loss:		
- Malaysian income tax	23,854	40,918
- Foreign tax	17,618	31,318
- Underprovision in prior years	(1,648)	(1,560)
	39,824	70,676
Deferred taxation recognised in profit or loss:		
- Origination and reversal of temporary differences	(4,262)	(12,779)
- Overprovision in prior years	(172)	(4,910)
	35,390	52,987
Real Property Gain Tax	-	117
Withholding tax	1,941	1,941
Tax expense	37,331	55,045



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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 30/6/2025 RM'000	As at 31/12/2024 RM'000
Current		
<u>Secured:</u>		
Bank overdrafts	7,509	8,621
Term loans	109,913	108,201
Revolving credits	309,063	287,730
Hire purchase liabilities	6,663	3,693
	<u>433,148</u>	<u>408,245</u>
<u>Unsecured:</u>		
Bankers' acceptances	148,799	202,647
Bank overdrafts	674	-
Term loans	24,331	35,142
Revolving credits	326,597	154,425
Trust receipts and trade financing	332,846	455,299
Sukuk Mudharabah	163,000	163,000
	<u>996,247</u>	<u>1,010,513</u>
Total Current	<u>1,429,395</u>	<u>1,418,758</u>
Non current		
<u>Secured:</u>		
Term loans	344,169	416,019
Hire purchase liabilities	8,744	2,734
<u>Unsecured:</u>		
Term loans	50,541	54,039
Sukuk Mudharabah	39,769	103,155
Total non current	<u>443,223</u>	<u>575,947</u>
Total borrowings	<u>1,872,618</u>	<u>1,994,705</u>

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**B8. BORROWINGS (CONTINUED)**

	As at 30/6/2025 RM'000	As at 31/12/2024 RM'000
Total borrowings		
Bankers' acceptances	148,799	202,647
Bank overdrafts	8,183	8,621
Term loans	528,954	613,401
Revolving credits	635,660	442,155
Trust receipts and trade financing	332,846	455,299
Hire purchase liabilities	15,407	6,427
Sukuk Mudharabah	202,769	266,155
	<u>1,872,618</u>	<u>1,994,705</u>

The currency profile of borrowings is as follows:

Ringgit Malaysia	754,631	713,778
Singapore Dollar	221,890	226,088
Indonesia Rupiah	463,349	491,645
US Dollar	5,571	16,028
Vietnamese Dong	256,572	408,008
Philippines Peso	170,605	139,158
	<u>1,872,618</u>	<u>1,994,705</u>

**B9. DERIVATIVES**

As at 30 June 2025, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

	As at 30/6/2025		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	-	-	54,750	789
Derivative financial assets	-	-	54,750	789

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**B9. DERIVATIVES (CONTINUED)**

As at 30 June 2025, the values and maturity analysis of the outstanding derivatives of the Group are as follows: (Continued)

	As at 30/6/2025		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 liabilities</b>				
Forward foreign exchange contracts	82,930	(1,091)	-	-
Interest rate swap contracts	123,915	(938)	-	-
Derivative financial liabilities	206,845	(2,029)	-	-

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**

No dividend has been proposed for the current financial quarter.

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**B12. EARNINGS PER SHARE (“EPS”)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
	30/6/2025	30/6/2024	30/6/2025	30/6/2024
Profit attributable to owners of the Company (RM'000)	90,294	96,495	192,095	153,074
Weighted average number of ordinary shares :				
- brought forward ('000)	3,611,630	3,650,000	3,632,785	3,650,000
- bought back ('000)	(7,926)	-	(19,905)	-
Weighted average number of ordinary shares in issue (Basic) ('000)	3,603,704	3,650,000	3,612,880	3,650,000
Basic EPS (sen)	2.51	2.64	5.32	4.19
Diluted EPS (sen)	2.51	2.64	5.32	4.19

*Note:*

*The potential conversion of ESOS options is anti-dilutive for year to date ended 30 June 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 26 August 2025.