

LEONG HUP INTERNATIONAL BERHAD

(Company No. 201401022577) (1098663 – D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
Note	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Revenue	2,315,127	2,413,033	9,309,452	9,539,512
Other income	65,675	129,801	139,860	287,173
Operating expenses	(2,102,608)	(2,323,008)	(8,558,533)	(9,102,680)
Profit from operations	278,194	219,826	890,779	724,005
Share of profits of associates	254	114	356	330
Finance costs	(29,257)	(36,663)	(130,617)	(169,590)
Profit before taxation	B5 249,191	183,277	760,518	554,745
Tax expense	B6 (43,160)	(38,548)	(129,708)	(124,924)
Net profit for the financial period/year	206,031	144,729	630,810	429,821
Other comprehensive income:				
Item that will be subsequently reclassified to profit or loss:				
Currency translation differences	62,011	(23,182)	(112,613)	56,472
Item that will not be subsequently reclassified to profit or loss:				
Remeasurement of post-employment benefit obligation	672	701	672	701
Income tax relating to remeasurement of post-employment benefit obligation	(134)	(151)	(134)	(151)
	538	550	538	550
Other comprehensive income for the financial period/year	62,549	(22,632)	(112,075)	57,022
Total comprehensive income for the financial period/year	268,580	122,097	518,735	486,843

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Quarter ended 31/12/2024	Quarter ended 31/12/2023	Year-to-date ended 31/12/2024	Year-to-date ended 31/12/2023
		RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to:					
Owners of the Company		140,840	81,601	428,930	301,737
Non-Controlling Interests		65,191	63,128	201,880	128,084
		<u>206,031</u>	<u>144,729</u>	<u>630,810</u>	<u>429,821</u>
Total comprehensive income attributable to:					
Owners of the Company		173,984	57,247	322,282	341,162
Non-Controlling Interests		94,596	64,850	196,453	145,681
		<u>268,580</u>	<u>122,097</u>	<u>518,735</u>	<u>486,843</u>
Earning per share (sen)					
Basic	B12	3.86	2.24	11.75	8.27
Diluted	B12	3.86	2.24	11.75	8.27

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 2023 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/12/2024	Audited As at 31/12/2023
Note	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,683,265	2,730,260
Investment properties	31,148	40,245
Right-of-use assets	392,465	409,308
Intangible assets	91,235	102,512
Investment in associates	1,810	1,674
Financial assets at fair value through other comprehensive income	4,446	-
Other receivables and deposits	9,671	18,256
Amount owing by Associates	27,925	20,582
Deferred tax assets	63,597	76,687
Total Non-Current Assets	3,305,562	3,399,524
Current Assets		
Biological assets	571,763	515,453
Inventories	968,600	978,837
Trade receivables	623,171	729,404
Other receivables and prepaid expenses	168,418	144,766
Non-current asset held for sale	-	11,651
Derivative financial assets	789	-
Tax recoverable	35,322	47,444
Cash and bank balances	770,670	699,505
Total Current Assets	3,138,733	3,127,060
TOTAL ASSETS	6,444,295	6,526,584
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,500,714	1,499,684
Treasury share	(11,547)	-
Merger reserve	(662,966)	(662,966)
Reserve	1,622,415	1,399,988
Equity attributable to owners of the Company	2,448,616	2,236,706
Non-controlling interests	878,820	718,422
TOTAL EQUITY	3,327,436	2,955,128

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		Unaudited As at 31/12/2024 RM'000	Audited As at 31/12/2023 RM'000
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities		150,582	146,084
Bank borrowings	B8	575,947	870,771
Lease liabilities		145,394	151,196
Deferred Income		687	1,091
Provision for Asset Retirement Obligation		4,918	5,086
Post-employment benefits obligation		39,908	38,971
Total Non-Current Liabilities		917,436	1,213,199
Current Liabilities			
Trade payables		311,641	359,580
Other payables and accrued expenses		406,871	322,535
Bank borrowings	B8	1,418,758	1,587,305
Lease liabilities		30,708	27,994
Derivative financial liabilities	B9	-	2,485
Deferred Income		344	364
Dividend payable		-	43,800
Tax payable		31,101	14,194
Total Current Liabilities		2,199,423	2,358,257
TOTAL LIABILITIES		3,116,859	3,571,456
TOTAL EQUITY AND LIABILITIES		6,444,295	6,526,584
Net assets per share attributable to ordinary equity holders (RM)		0.6740	0.6128

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 2023 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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 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	-	-	-	-	-	428,930	428,930	201,880	630,810
Other comprehensive income:									
Currency translation differences	-	-	-	(106,979)	20	-	(106,959)	(5,654)	(112,613)
Remeasurement of post-employment benefit obligation						311	311	227	538
Total other comprehensive income	-	-	-	(106,979)	20	311	(106,648)	(5,427)	(112,075)
Total comprehensive Income	-	-	-	(106,979)	20	429,241	322,282	196,453	518,735
Transactions with owners:									
Issuance of shares pursuant to ESOS	1,030	-	-	-	-	-	1,030	-	1,030
Purchase of treasury shares	-	(11,547)	-	-	-	-	(11,547)	-	(11,547)
Issuance of shares in subsidiary to non-controlling interest	-	-	-	-	-	-	-	400	400
Changes in equity interest in subsidiaries	-	-	-	-	-	(3,052)	(3,052)	(2,634)	(5,686)
Dividends paid	-	-	-	-	-	(100,385)	(100,385)	(33,821)	(134,206)
Share options lapsed	-	-	-	-	(11,422)	11,422	-	-	-
Share options expense	-	-	-	-	3,582	-	3,582	-	3,582
	1,030	(11,547)	-	-	(7,840)	(92,015)	(110,372)	(36,055)	(146,427)
Balance as at 31 December 2024	1,500,714	(11,547)	(662,966)	(79,464)	3,277	1,698,602	2,448,616	878,820	3,327,436

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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 2023	1,499,684	-	(662,966)	(11,592)	11,309	1,168,609	2,005,044	584,531	2,589,575
Comprehensive income:									
Net profit for the financial year	-	-	-	-	-	301,737	301,737	128,084	429,821
Other comprehensive income:									
Currency translation differences	-	-	-	39,107	-	-	39,107	17,365	56,472
Remeasurement of post-employment benefit obligation	-	-	-	-	-	318	318	232	550
Total other comprehensive income	-	-	-	39,107	-	318	39,425	17,597	57,022
Total comprehensive income	-	-	-	39,107	-	302,055	341,162	145,681	486,843
Transactions with owners:									
Dividends paid	-	-	-	-	-	(65,700)	(65,700)	(11,291)	(76,991)
Dividends payable	-	-	-	-	-	(43,800)	(43,800)	-	(43,800)
Changes in equity interest in subsidiaries	-	-	-	-	-	-	-	(499)	(499)
Share options lapsed	-	-	-	-	(212)	212	-	-	-
	-	-	-	-	(212)	(109,288)	(109,500)	(11,790)	(121,290)
Balance as at 31 December 2023	1,499,684	-	(662,966)	27,515	11,097	1,361,376	2,236,706	718,422	2,955,128

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 2023 and the accompanying explanatory notes attached in the interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE QUARTER	
	Year-to-date ended	
	31/12/2024	31/12/2023
	RM'000	RM'000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	760,518	554,745
Adjustments for: non-cash items	471,028	502,983
Operating profit before working capital changes	1,231,546	1,057,728
<u>Net Movement In:</u>		
Biological assets	(71,264)	(90,500)
Inventories	2,468	25,239
Receivables	34,231	(20,775)
Payables	8,907	101,321
Net cash from operations	1,205,888	1,073,013
Tax paid	(103,181)	(78,960)
Tax refund	18,073	-
Post-employment benefit paid	(1,592)	(1,566)
Net cash flow from operating activities	1,119,188	992,487
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Advance to an associate	(9,394)	(2,084)
Proceeds from disposal of property, plant and equipment	31,905	5,573
Dividend income from an associate	204	300
Interest income received from Associates	1,917	-
Interest income received	14,807	14,517
Addition of property, plant and equipment	(324,088)	(218,804)
Addition of investment properties	(1,484)	(282)
Addition of right-of-use assets	(15,280)	(557)
Proceed from partial disposal of subsidiary	1,916	-
Acquisition of additional shares in a subsidiary	(7,602)	(499)
Withdrawal of fixed deposit pledged	7,827	2,894
(Placement)/Withdrawal of fixed deposit with more than 3 months maturity	(25,661)	35,093
Net cash flow from investing activities	(324,933)	(163,849)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	CUMULATIVE QUARTER	
	Year-to-date ended	
	31/12/2024	31/12/2023
	RM'000	RM'000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Finance costs paid	(131,594)	(169,899)
Proceeds from term loans	73,818	52,245
Repayments of term loans	(237,945)	(258,646)
Repayments of sukuk	(34,000)	-
Net repayments of short term borrowings	(162,130)	(276,881)
Repayments of hire purchase liabilities	(12,720)	(13,367)
Repayments of lease liabilities	(27,681)	(29,789)
Issuance of shares in subsidiary to non-controlling interest	1,430	-
Purchase of treasury shares	(11,547)	-
Dividends paid to owners of the Company	(144,185)	(65,700)
Dividends paid to non-controlling interest of subsidiaries	(33,821)	(11,291)
Net cash flow from financing activities	(720,375)	(773,328)
NET CHANGE IN CASH AND CASH EQUIVALENTS	73,880	55,310
Effect of exchange translation differences	(22,466)	15,908
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	627,270	556,052
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	678,684	627,270

Cash and cash equivalents comprise the following:

Cash and bank balances	770,670	699,505
Bank overdrafts	(8,621)	(3,420)
	762,049	696,085
Less:		
Fixed deposits pledged as collateral	(13,629)	(21,668)
Fixed deposits of more than 3 months maturity period	(69,736)	(47,147)
	678,684	627,270

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 2023 and the accompanying explanatory notes attached in the interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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 2023. 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 2023.

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 2023, except for the adoption of the following new standards, amendments to standards and interpretations during the current financial year:

- Amendments to MFRS 16 Leases – Lease Liabilities in a Sale and Leaseback
- Amendments to MFRS 101 – Non-current Liabilities with Covenants
- Amendments to MFRS 7 and MFRS 107 – Supplier Finance Arrangements

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:

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A2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Standards	Effective for annual period beginning on or after
Amendments to MFRS 121 – Lack of Exchangeability	1 January 2025
Amendments to MFRS 7 and MFRS 9 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7 – 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 2023 in their report dated 25 April 2024.

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.

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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 year ended 31 December 2024:

- a) Details of the issued and paid-up capital of the Company as at 31 December 2024 are as follows:

	No. of shares ('000)	RM'000
As at 1 January 2024	3,650,000	1,499,684
Ordinary share issued pursuant to ESOS	1,702	1,030
As at 31 December 2024	3,651,702	1,500,714

- b) During the financial year, the Company repurchased 18,916,900 ordinary shares from the open market for a total consideration of RM11.5 million, which was financed by internally generated funds.

As at 31 December 2024, of the total 3,651,701,800 issued and fully paid ordinary shares, 18,916,900 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 year under review.

A8. DIVIDENDS PAID

Dividends paid during the financial year are as follows :

	<u>Financial</u> <u>Year End</u>	<u>Payment</u> <u>date</u>	<u>Total Dividends</u> <u>(RM' million)</u>
1. A second interim single-tier dividend of 1.20 sen per ordinary shares	2023	29 Jan 2024	43.8
2. A first interim single-tier dividend of 1.30 sen per ordinary shares	2024	27 May 2024	47.5
3. A second interim single-tier dividend of 1.45 sen per ordinary shares	2024	30 Dec 2024	52.9
			<hr/>
			144.2

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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
Quarter ended 31 December 2024				
Revenue from sales of goods:				
- external customers	1,403,477	908,821	-	2,312,298
- inter-segment	-	277,963	(277,963)	-
Revenue from sales of goods	1,403,477	1,186,784	(277,963)	2,312,298
Revenue from other sources				2,829
Total revenue				<u>2,315,127</u>
EBITDA	205,993	158,528	(7,107)	357,414
Depreciation and amortisation	(59,846)	(17,573)	(1,801)	(79,220)
	146,147	140,955	(8,908)	278,194
Share of profit of associates				254
Finance costs				(29,257)
Profit before taxation				249,191
Tax expense				(43,160)
Profit for the financial quarter				<u>206,031</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
Quarter ended 31 December 2023				
Revenue from sales of goods:				
- external customers	1,263,707	1,145,963	-	2,409,670
- inter-segment	-	437,959	(437,959)	-
Revenue from sales of goods	1,263,707	1,583,922	(437,959)	2,409,670
Revenue from other sources				3,363
Total revenue				2,413,033
EBITDA	83,628	228,161	(8,414)	303,375
Depreciation and amortisation	(64,631)	(16,327)	(2,591)	(83,549)
	18,997	211,834	(11,005)	219,826
Share of profit of associates				114
Finance costs				(36,663)
Profit before taxation				183,277
Tax expense				(38,548)
Profit for the financial quarter				144,729

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 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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
Year-to-date ended 31 December 2024				
Revenue from sales of goods:				
- external customers	5,398,950	3,899,046	-	9,297,996
- inter-segment	-	1,212,997	(1,212,997)	-
Revenue from sales of goods	5,398,950	5,112,043	(1,212,997)	9,297,996
Revenue from other sources				11,456
Total revenue				<u>9,309,452</u>
EBITDA	594,105	615,439	(5,807)	1,203,737
Depreciation and amortisation	(237,153)	(69,307)	(6,498)	(312,958)
	356,952	546,132	(12,305)	890,779
Share of profits of associates				356
Finance costs				(130,617)
Profit before taxation				<u>760,518</u>
Tax expense				(129,708)
Profit for the financial year				<u>630,810</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
Year-to-date ended 31 December 2023				
Revenue from sales of goods:				
- external customers	5,155,633	4,370,805	-	9,526,438
- inter-segment	-	1,772,338	(1,772,338)	-
Revenue from sales of goods	5,155,633	6,143,143	(1,772,338)	9,526,438
Revenue from other sources				13,074
Total revenue				9,539,512
EBITDA	341,642	707,370	(5,657)	1,043,355
Depreciation and amortisation	(246,337)	(66,593)	(6,420)	(319,350)
	95,305	640,777	(12,077)	724,005
Share of profits of associates				330
Finance costs				(169,590)
Profit before taxation				554,745
Tax expense				(124,924)
Profit for the financial year				429,821

Geographical segment

	Revenue		EBITDA	
	Quarter ended		Quarter ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	576,434	587,260	160,128	184,054
Singapore	206,346	201,958	11,492	20,582
Vietnam	478,041	534,517	69,401	43,690
Indonesia	855,092	927,028	83,831	35,114
Philippines	196,385	158,907	32,562	19,935
	2,312,298	2,409,670	357,414	303,375

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A9. SEGMENTAL INFORMATION (CONTINUED)

Geographical segment (Continued)

	Revenue		EBITDA	
	Year-to-date ended		Year-to-date ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,299,503	2,386,078	507,850	583,266
Singapore	829,711	826,122	60,377	81,625
Vietnam	1,868,137	2,114,196	206,980	141,083
Indonesia	3,589,369	3,623,474	304,529	171,714
Philippines	711,276	576,568	124,001	65,667
	<u>9,297,996</u>	<u>9,526,438</u>	<u>1,203,737</u>	<u>1,043,355</u>
	Total non-current assets		Total borrowing	
	as at		as at	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,630,000	1,556,076	713,778	798,335
Singapore	301,986	326,168	226,088	266,052
Vietnam	422,399	491,190	424,035	518,203
Indonesia	566,535	642,985	491,646	736,731
Philippines	279,003	267,580	139,158	138,755
	<u>3,199,923</u>	<u>3,283,999</u>	<u>1,994,705</u>	<u>2,458,076</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 year ended 31 December 2024, the Group acquired property, plant and equipment amounting to RM336.5 million (year ended 31 December 2023: RM229.6 million) and disposed property, plant and equipment amounting to RM24.6 million (year ended 31 December 2023: RM3.4 million).

(ii) Revaluation

There were no revaluation of property, plant and equipment for the year ended 31 December 2024 (year ended 31 December 2023: 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 and 6 January 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 at Kuala Lumpur had granted LFM leave to institute judicial review proceeding against the CAT Decision on Stay. LFM’s interim stay application seeks to stay all actions, proceedings and enforcement of the MyCC’s Decision pending disposal of LFM’s judicial review application (“LFM’s Interim Stay Application”). The High Court had fixed the hearing for LFM’s Interim Stay Application on 8 April 2025.

The hearing of LFM’s appeal against MyCC’s decision at the CAT was conducted on 18 February 2025 and the President of the panel who heard the case, after hearing oral submissions from counsel of LFM and MyCC, adjourned the hearing to another date to be fixed for counsel of LFM to make its oral submissions in reply.

A12. CAPITAL COMMITMENTS

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

	As at 31/12/2024 RM’000
Acquisition of property, plant and equipment:	
- approved and contracted for	33,285

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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 YEAR

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	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Associated companies:				
Advance granted	(9,394)	(2,084)	(9,394)	(2,084)
Interest income	429	278	1,727	1,093
Companies controlled by Lau family*:				
Sales of goods	163,580	178,479	675,624	709,520
Management fee received/receivable	84	3,068	84	3,117
Rental received/receivables	2,455	1,494	7,026	6,212
Interest receivables	-	34	63	168
Purchases of goods	(114,762)	(135,095)	(493,268)	(345,171)
Transportation charges paid/payable	(3,522)	(2,508)	(13,735)	(13,298)
Purchases of sundries paid/payable	(2,036)	(2,170)	(8,834)	(6,290)
Rental paid/payables	(796)	(868)	(3,000)	(3,303)
Sales of property, plant and equipment	26	24	26	24
Purchase of property, plant and equipment	(148)	(196)	(295)	(494)
Royalty fee paid/payable	-	-	(1,908)	(1,809)
Companies controlled by Nam family^:				
Transportation charges paid/payable	(3,098)	(2,688)	(11,109)	(9,959)

* 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
	31/12/2024	31/12/2023		31/12/2024	31/12/2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue:						
Livestock and poultry related products	1,403,477	1,263,707	11.1%	5,398,950	5,155,633	4.7%
Feedmill	908,821	1,145,963	(20.7%)	3,899,046	4,370,805	(10.8%)
Others	2,829	3,363	(15.9%)	11,456	13,074	(12.4%)
	<u>2,315,127</u>	<u>2,413,033</u>	<u>(4.1%)</u>	<u>9,309,452</u>	<u>9,539,512</u>	<u>(2.4%)</u>
EBITDA:						
Livestock and poultry related products	205,993	83,628	146.3%	594,105	341,642	73.9%
Feedmill	158,528	228,161	(30.5%)	615,439	707,370	(13.0%)
Others	(7,107)	(8,414)	15.5%	(5,807)	(5,657)	(2.7%)
	<u>357,414</u>	<u>303,375</u>	<u>17.8%</u>	<u>1,203,737</u>	<u>1,043,355</u>	<u>15.4%</u>

Livestock and poultry related products

a) Individual Quarter

The Group's revenue from sales of livestock and poultry related products increased by 11.1% from RM1,263.7 million in the financial quarter ended ("FQE") 31 December 2023 to RM1,403.5 million in the FQE 31 December 2024.

The higher revenue was due mainly to increases in average selling price of Day-Old-Chick ("DOC") and higher average selling price and sales volume of broiler in Indonesia. The increase in revenue was also due to higher average selling price of broiler in Vietnam.

EBITDA increased by 146.3%, in line with higher revenue achieved in Indonesia and Vietnam as explained above.

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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 increased by 4.7% from RM5,155.6 million in the financial year ended ("FYE") 31 December 2023 to RM5,399.0 million in the FYE 31 December 2024.

The higher revenue was due mainly to higher average selling price and sales volume of DOC and broiler in Indonesia and the Philippines. The increase in revenue was also contributed by higher average selling price of broiler in Vietnam

EBITDA increased by 73.9%, in line with higher revenue achieved in Indonesia, the Philippines and Vietnam as explained above.

Feedmill

a) Individual Quarter

The Group's revenue from Feedmill decreased by 20.7% from RM1,146.0 million in the FQE 31 December 2023 to RM908.8 million in the FQE 31 December 2024. The decrease was due primarily to lower average selling price and sales volume in Indonesia, Vietnam and Malaysia.

EBITDA declined by 30.5%, in line with lower revenue in Indonesia, Vietnam and Malaysia as explained above.

b) Cumulative Quarter

The Group's revenue from Feedmill decreased by 10.8% from RM4,370.1 million in the FYE 31 December 2023 to RM3,899.0 million in the FYE 31 December 2024. The decrease was due primarily to lower average selling price and sales volume in Vietnam and Malaysia as well as lower sales volume in Indonesia.

EBITDA declined by 13.0%, in line with lower revenue in Vietnam, Malaysia and Indonesia as explained above.

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B2. COMPARATIVE WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	INDIVIDUAL QUARTER		
	Quarter ended		Changes %
	31/12/2024 RM'000	30/9/2024 RM'000	
Revenue	2,315,127	2,228,283	3.9%
Profit from operations	278,194	232,831	19.5%
Profit before taxation	249,191	201,854	23.5%

The Group's revenue improved by 3.9% in comparison with the immediate preceding quarter, due primarily to higher average selling price and sales volume of broiler in Indonesia and Malaysia as well as higher average selling price of broiler in Vietnam.

The Group's profit before taxation increased by 23.5%, in line with higher revenue achieved in Indonesia, Malaysia and Vietnam.

B3. PROSPECTS

The unexpected weakening of United States Dollar ("USD") against the currencies of countries that LHI operates in during 2024 resulted in lower feed costs. The easing of feed input costs, particularly corn and soybean meal, provides relief to the industry. Although the recent strengthening of USD has reduced this benefit, barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance for financial year 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.

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B5. PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2024	Quarter ended 31/12/2023	Year-to-date ended 31/12/2024	Year-to-date ended 31/12/2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Amortisation of right-of-use assets	11,612	10,559	43,610	43,160
Bad debt write off/(recovered)	(253)	1,143	275	57
Depreciation of :				
-investment properties	84	66	217	251
-property, plant and equipment	67,524	72,923	269,131	275,939
Expense recognised in respect of defined benefit plan	2,104	315	7,642	6,112
Farmer incentives and contract grower	27,865	30,751	113,985	110,009
Fair value losses/(gains) on derivative financial instruments	(1,387)	3,935	(1,908)	(5,305)
Losses/(Gains) on foreign exchange	(4,659)	(1,382)	1,419	(437)
Losses/(Gains) on disposal of :				
-property, plant and equipment	(861)	(493)	(7,354)	(2,127)
-right-of-use assets	-	(191)	-	-
Losses/(Gains) on termination of leases	3,122	(416)	(111)	(416)
Government grant	(74)	(251)	(1,898)	(1,850)
Government subsidies	(45,837)	(102,974)	(92,096)	(161,348)
Impairment losses/(Reversal of impairment):				
-goodwill	8,404	102	8,404	102
-property, plant and equipment	18,900	16,394	18,900	16,394
-right-of-use assets	-	6,391	99	6,391
-trade receivables	7,658	(572)	9,180	(24)
-other receivables	151	(1,268)	155	(1,809)
-inventories	(529)	-	112	-
Interest expense	29,257	36,663	130,617	169,590
Interest income	(4,965)	(3,926)	(16,534)	(14,517)
Packing materials	5,525	5,501	22,273	20,758
Property, plant and equipment written off	4,806	13,590	6,589	14,398
Right-of-use assets written off	-	258	-	258

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B5. PROFIT BEFORE TAXATION (CONTINUED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended		Year-to-date ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):				
Promotional and marketing expenses	5,991	1,427	13,774	7,385
Rental expense	6,632	4,931	11,670	9,984
Rental income	(821)	(721)	(2,960)	(2,498)
Travelling expenses	3,939	3,476	14,374	13,203

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

B6. TAX EXPENSE

	INDIVIDUAL	CUMULATIVE
	QUARTER	QUARTER
	31/12/2024	31/12/2024
	RM'000	RM'000
Current tax recognised in profit or loss:		
- Malaysian income tax	12,770	45,312
- Foreign tax	14,979	70,742
- Overprovision in prior years	(287)	(3,655)
	27,462	112,399
Deferred taxation recognised in profit or loss:		
- Origination and reversal of temporary differences	14,348	14,444
- Overprovision in prior years	(656)	(1,222)
	41,154	125,621
Real Property Gain Tax	3	125
Withholding tax	2,003	3,962
Tax expense	43,160	129,708

B7. STATUS OF CORPORATE PROPOSAL

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

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B8. BORROWINGS

	As at 31/12/2024 RM'000	As at 31/12/2023 RM'000
Current		
<u>Secured:</u>		
Bank overdrafts	8,621	1,541
Term loans	108,201	159,050
Revolving credits	287,730	441,908
Hire purchase liabilities	3,693	8,090
	<u>408,245</u>	<u>610,589</u>
<u>Unsecured:</u>		
Bankers' acceptances	202,647	237,062
Bank overdrafts	-	1,879
Term loans	35,142	59,450
Revolving credits	154,425	157,007
Trust receipts	455,299	487,318
Sukuk Mudharabah	163,000	34,000
	<u>1,010,513</u>	<u>976,716</u>
Total Current	<u>1,418,758</u>	<u>1,587,305</u>
Non current		
<u>Secured:</u>		
Term loans	416,019	522,379
Hire purchase liabilities	2,734	7,340
<u>Unsecured:</u>		
Term loans	54,039	74,797
Sukuk Mudharabah	103,155	266,255
Total non current	<u>575,947</u>	<u>870,771</u>
Total borrowings	<u>1,994,705</u>	<u>2,458,076</u>

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B8. BORROWINGS (CONTINUED)

	As at 31/12/2024 RM'000	As at 31/12/2023 RM'000
Total borrowings		
Bankers' acceptances	202,647	237,062
Bank overdrafts	8,621	3,420
Term loans	613,401	815,676
Revolving credits	442,155	598,915
Trust receipts	455,299	487,318
Hire purchase liabilities	6,427	15,430
Sukuk Mudharabah	266,155	300,255
	1,994,705	2,458,076

The currency profile of borrowings is as follows:

Ringgit Malaysia	713,778	798,335
Singapore Dollar	226,088	266,052
Indonesia Rupiah	491,645	704,573
US Dollar	16,028	48,682
Vietnamese Dong	408,008	501,679
Philippines Peso	139,158	138,755
	1,994,705	2,458,076

B9. DERIVATIVES

As at 31 December 2024, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

	As at 31/12/2024		As at 31/12/2023	
	Contract/ Notional Amount RM'000	Fair Value Amount RM'000	Contract/ Notional Amount RM'000	Fair Value Amount RM'000
Current asset/(liabilities)				
Forward foreign exchange contracts	53,318	789	179,848	(2,485)
Derivative financial assets/(liabilities)	53,318	789	179,848	(2,485)

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B9. DERIVATIVES (CONTINUED)

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2023:

- (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.

B12. EARNINGS PER SHARE (“EPS”)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2024	Quarter ended 31/12/2023	Year-to-date ended 31/12/2024	Year-to-date ended 31/12/2023
Profit attributable to owners of the Company (RM'000)	140,840	81,601	428,930	301,737
Weighted average number of ordinary shares :				
- brought forward ('000)	3,650,000	3,650,000	3,650,000	3,650,000
- issued ('000)	1,361	-	342	-
- bought back ('000)	(2,596)	-	(653)	-
Weighted average number of ordinary shares in issue (Basic) ('000)	3,648,765	3,650,000	3,649,689	3,650,000

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B12. EARNINGS PER SHARE (“EPS”) (CONTINUED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2024	31/12/2023	Year-to-date ended 31/12/2024	31/12/2023
Weighted average number of ordinary shares used in the calculation of basic EPS ('000)	3,648,765	3,650,000	3,649,689	3,650,000
Effects of potential exercise of ESOS options('000)	27	-	-	-
Weighted average number of ordinary shares in issue (Diluted) ('000)	3,648,792	3,650,000	3,649,689	3,650,000
Basic EPS (sen)	3.86	2.24	11.75	8.27
Diluted EPS (sen)	3.86	2.24	11.75	8.27

Note:

The potential conversion of ESOS options is anti-dilutive for year to date ended 31 December 2024 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 year. 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 25 February 2025.