



TPC PLUS BERHAD

Registration No. 200301012910 (615330-T)

20 YEARS

• ANNIVERSARY •

2003 - 2023



ANNUAL
REPORT **2023**

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21ST ANNUAL GENERAL MEETING

Hang Li Po Meeting Room

AMES Hotel,
Jalan PKAK 1
& PKAK 2,
Pusat Komersial
Ayer Keroh,
75450 Ayer Keroh,
Melaka

Date & Time

Thursday,
30 May 2024
12.00pm



Kindly scan this QR code to
get access to TPC Plus Berhad's
website.

OUR PROFILE



OVERVIEW OF TPC PLUS BERHAD

TPC Plus Berhad ("TPC" or "the Company") and its subsidiaries ("the Group") are primarily involved in the livestock farming industries and oil palm activities. Currently, the Group produces resource-efficient footprints in Malaysia.



Headquartered in Simpang Ampat, Melaka, our businesses have experienced substantial growth over the past two decades. The group achieved a significant milestone when it became publicly listed on Bursa Malaysia Securities Berhad on December 18th, 2003. After the official takeover by Huat Lai Resources Berhad in 2012, significant changes were observed especially when the Group underwent a regularisation and internal restructuring exercises from 2014 to 2016.

With businesses spanning the entire value chain, TPC's integrated operations encompass raising pullets and layers, manufacturing feeds, and producing, packaging, and distributing eggs and poultry feeds throughout Malaysia. Being as one of the egg producers in the country, the Group places utmost importance on ensuring the highest quality and nutritional value in its eggs, which are widely consumed by the local community on a regular basis.

The broad eggs offering capabilities help us to continue to serve a diverse customer base like wholesalers, distributors, hypermarkets, bakeries, restaurants, retailers, and ultimately, consumers.

Today, TPC has become one of the preferred eggs suppliers in Malaysia. Despite the uncertainties and challenges experienced over several years, the Group continues to expand, delivering sustainable value to our stakeholders through operational excellence, improved performance standards, and robust corporate governance practices.

We strive to foster positive relationships with our stakeholders by promoting transparency, ethical practices, and accountability in all aspects of our operations. Additionally, we actively engage in initiatives that contribute to community development, environmental sustainability, and social responsibility.

MILESTONES AND DEVELOPMENTS

1978

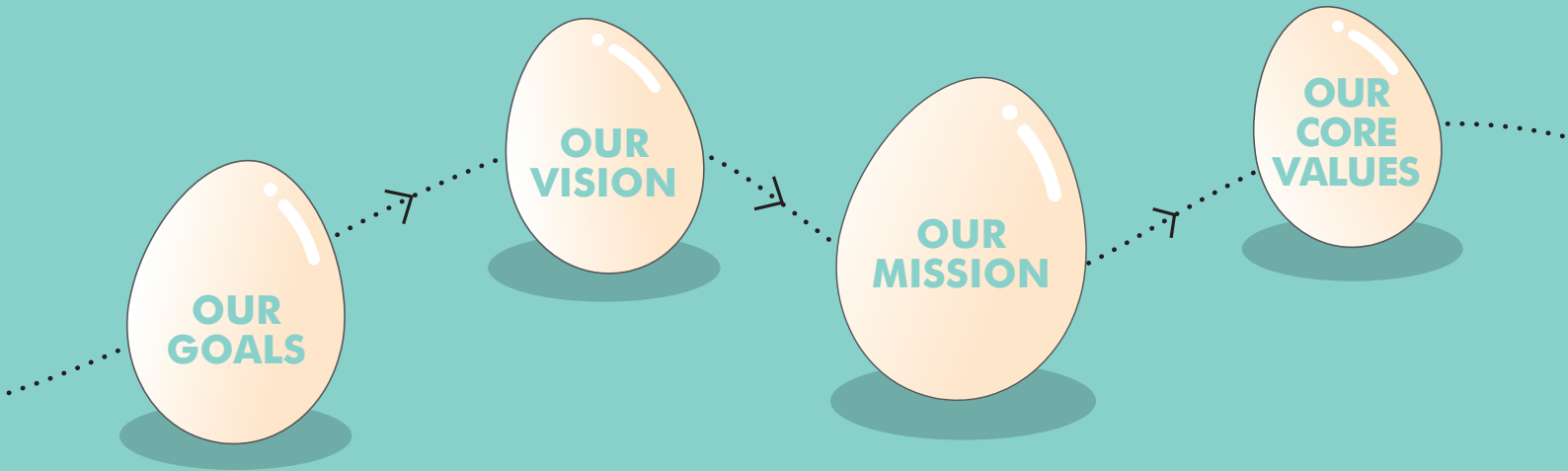


Teck Ping Chan Agriculture Sdn. Bhd., the wholly owned subsidiary of the Group commenced its poultry farming business.

2003



TPC Plus Berhad was incorporated and became publicly listed on the Second Board of Bursa Malaysia Securities on 18th December in the same year.



OUR GOALS

Eggs serve as a vital source of affordable protein, vitamins, and minerals for countless families in Malaysia. Our steadfast commitment is to deliver nutritious eggs responsibly and sustainably, aligning with our mission to promote health and well-being in communities.

OUR VISION

To become a premier egg producer and the most trusted supplier of fresh, high-quality eggs and poultry products in Malaysia.

OUR MISSION

We strive to continuously enhance and invest in our people and technologies to deliver high-quality and fresh egg and egg products to our valued customers.

OUR CORE VALUES

- Providing a safe and hygienic work environment for our employees.
- Investing in modern technologies and facilities to achieve farm efficiencies.
- Maximising profits and competitiveness through economies of scale in production.
- Actively contributing to social initiatives for sustainable development.

OUR STRATEGY HAS REMAINED CONSISTENT FOR OVER YEARS

1

Focus on operational excellence

TPC Management Process to optimize everything within our control

2

Adapt to changing consumer demand

Expand and adjust eggs production to meet needs of customers and consumers

3

Allocate capital responsibly

Deploy capital to organic growth

2011



TPC Group was acquired by Huat Lai Resources Berhad in October, reaching production capacity of 300,000 eggs per day.

2017



TPC Group invested in its own feed mill and expanded its livestock farming into Rembau, Negeri Sembilan with an additional 8 layer houses, increased its egg production to approximately 1,400,000.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Lim Yew Piau

Chairman,
Non-Independent
Executive Director

(Re-designated as Chairman effective from 1 June 2023)

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop

Senior Independent
Non-Executive Director

(Relinquished as Chairman effective from 1 June 2023)

Mr Lim Yew Kwang

Managing Director,
Non-Independent
Executive Director

(Re-designated as Managing Director effective from 1 June 2023)

Mr Chong Chee Siong

Independent
Non-Executive Director

Mr Chong Peng Khang

Independent
Non-Executive Director

Ms Lim Chian Harn

Non-Independent
Executive Director

(Appointed effective from 1 June 2023)

Mr Lim Yew Chua

Managing Director,
Non-Independent
Executive Director

(Resigned as Director effective from 1 June 2023)

Mr Liang Ah Lit @ Nyah Chung Mun

Senior Independent
Non-Executive Director

(Resigned as Director effective from 1 June 2023)

COMPANY SECRETARY

Ms Ong Soo Leng
SSM PC No. 202008002605
MAICSA 701825

AUDITORS

Crowe Malaysia PLT
52, Jalan Kota Laksamana 2/15
Taman Kota Laksamana, Seksyen 2
75200 Melaka

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya, Selangor
Tel No. : 03-7784 3922
Fax No. : 03-7784 1988
Email : binawin@binamg168.com

PRINCIPAL BANKERS

Bangkok Bank Berhad
MBSB Bank Berhad

AUDIT COMMITTEE

Mr Chong Peng Khang (Chairman)
Mr Chong Chee Siong
YBhg. Tan Sri Datuk Seri (Dr.)
Abu Seman bin Haji Yusop
(Appointed effective from 1 June 2023)
Mr Liang Ah Lit @ Nyah Chung Mun
(Resigned effective from 1 June 2023)

NOMINATION AND REMUNERATION COMMITTEE

Mr Chong Chee Siong (Chairman)
Mr Chong Peng Khang
YBhg. Tan Sri Datuk Seri (Dr.)
Abu Seman bin Haji Yusop
(Appointed effective from 1 June 2023)
Mr Liang Ah Lit @ Nyah Chung Mun
(Resigned effective from 1 June 2023)

RISK MANAGEMENT COMMITTEE

YBhg. Tan Sri Datuk Seri (Dr.)
Abu Seman bin Haji Yusop (Chairman)
Mr Chong Chee Siong
Mr Chong Peng Khang
Mr Lim Yew Kwang
Ms Lim Chian Harn
Mr Lim Yew Chua
(Resigned effective from 1 June 2023)
Mr Liang Ah Lit @ Nyah Chung Mun
(Resigned effective from 1 June 2023)

REGISTERED OFFICE

PT 1678, Mukim of Serkam
77300 Merlimau
Melaka
Tel No. : 06-2686315
Fax No. : 06-2686327
Email : contact@tpc.com.my

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

WEBSITE

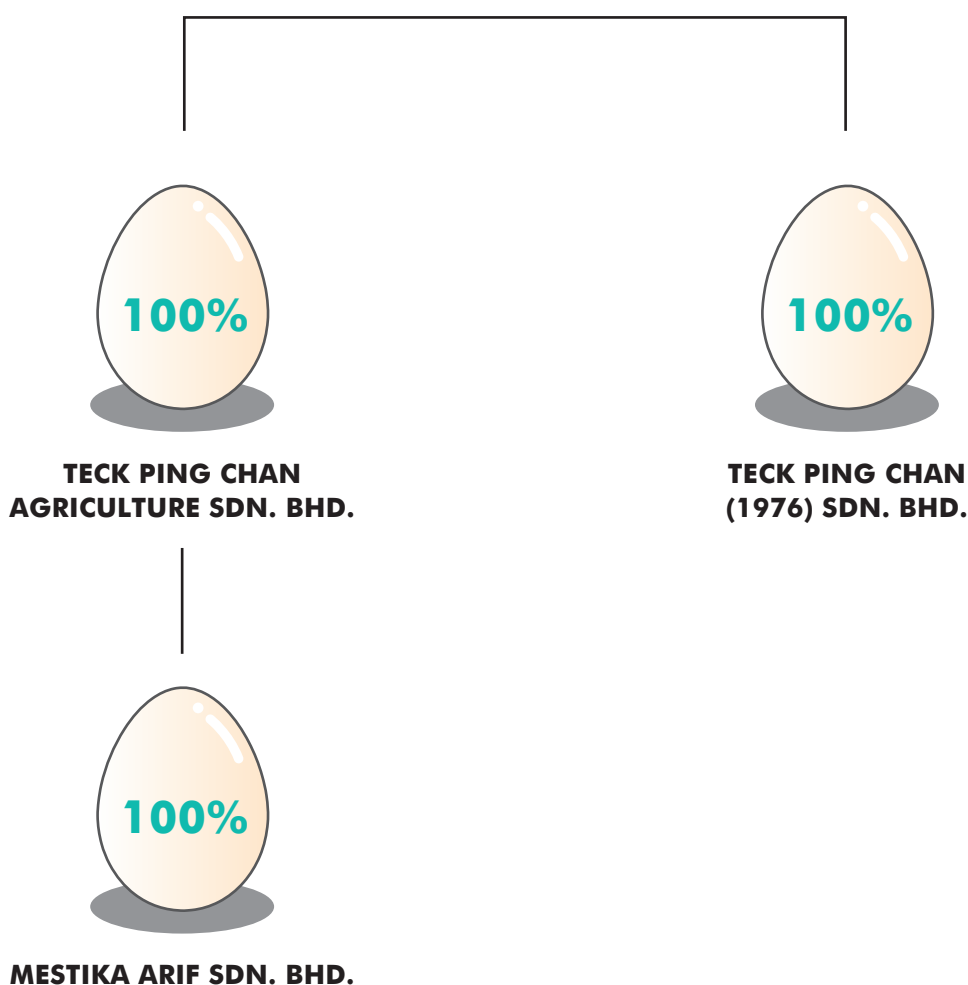
www.tpc.com.my

GROUP STRUCTURE

AS AT 31 MARCH 2024



TPC PLUS BERHAD



DIRECTORS' PROFILE



DATUK LIM YEW PIAU

Chairman, Non-Independent Executive Director

Malaysian

Male

47 years old

Datuk Lim Yew Piau was appointed to the Board of TPC Plus Berhad on 8 March 2012 and re-designated as Chairman of the Board with effect from 1 June 2023. He is also a director of all the subsidiaries of the Company.

Datuk Lim Yew Piau has over 20 years of poultry farming experience and knowledge. Datuk Lim undertook various positions in operating, purchasing, sales and marketing divisions before being promoted to the current position. Presently, he is tasked

to assist the organization in streamlining its operations and to oversee the logistic, marketing and distribution of eggs and feeds to customers.

Datuk Lim Yew Piau is a brother of Mr Lim Yew Kwang and of all the directors of Huat Lai Resources Berhad, a substantial shareholder of the Company. He is also an uncle to Ms Lim Chian Harn.

LIM YEW KWANG

Managing Director, Non-Independent Executive Director

Malaysian

Male

50 years old

Mr Lim Yew Kwang was appointed to the Board of TPC Plus Berhad on 8 March 2012 and re-designated as Managing Director effective from 1 June 2023. He is also a director of all the subsidiaries of the Company and a member of the Risk Management Committee.

Mr Lim Yew Kwang has over 25 years of poultry farming experience and knowledge. Mr. Lim Yew Kwang gains vast experience through direct involvement in various farm projects and has been leading the management

team on the day-to-day operations of the Company. Currently, he is primarily responsible for managing the various aspects of the farm operation and flock health and for developing strategic plans of the Company's current projects and expansion plans.

Mr Lim Yew Kwang is a brother of Datuk Lim Yew Piau and of all the directors of Huat Lai Resources Berhad, a substantial shareholder of the Company. He is also an uncle to Ms Lim Chian Harn.





DIRECTORS' PROFILE

LIM CHIAN HARN

Non-Independent Executive Director

Malaysian

Female

34 years old

Ms Lim Chian Harn was appointed to the Board of TPC Plus Berhad on 1 June 2023. She is also a member of the Risk Management Committee.

Ms Lim Chian Harn graduated from the London School of Economics and Political Science, UK with an Accounting and Finance degree.

Ms Lim Chian Harn started her career in TPC Plus Berhad in 2014 as Finance Executive responsible for the preparation of reports, monitor financial records and coordinate the daily accounting procedures of the Company. With her knowledge and commitment, she had headed and successfully completed the regularisation plan and several expansion plans of the Company over the years.

Ms Lim Chian Harn was promoted to Finance Manager of TPC Group in 2022 and is currently involved in strategic planning, compliance, internal audits and business improvement initiatives of the Company and Group. She is also engaged in the management of the Group's poultry farming activities and therefore has the experience in the poultry farming sector.

Ms Lim Chian Harn is a niece of Mr Lim Yew Kwang and Datuk Lim Yew Piau.

Ms Lim Chian Harn is also the daughter of Mr Lim Yeow Her and a niece of Mr Lim Yeow Kian and Datuk Wira Lim Yeow Siong, all of whom have an indirect interest in TPC Plus Berhad through Huat Lai Resources Berhad, a substantial shareholder of TPC Plus Berhad.

YBHG. TAN SRI DATUK SERI (DR.) ABU SEMAN BIN HAJI YUSOP

Senior Independent Non-Executive Director

Malaysian

Male

80 years old

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop was appointed as Director and Chairman of the Board of TPC Plus Berhad on 30 November 2015. He resigned as Chairman of the Board with effect from 1 June 2023. He is the Chairman of the Risk Management Committee and was appointed as a member of the Audit Committee and the Nomination and Remuneration Committee effective from 1 June 2023.

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop is currently the Chairman of the Board of Trustee of Yayasan Alor Gajah (January 1995 till todate). Besides that, he has also held several senior positions in the private and public sectors. He was a Senior Legal Adviser with Malaysian Shipping Corporation Berhad (MISC) and the Chairman of Majlis Amanah Rakyat (MARA) (2000-2004), University of Kuala Lumpur (2000-2004), Kolej Poly-Tech MARA (2000-2004), Powertec Berhad (1995-1997) and ICM Industries Corp. Bhd (1997).

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop was a Member of Parliament for the Alor Gajah / Masjid Tanah constituency in Melaka during 1995 to 2013 and the Parliamentary Secretary of the Ministry of Internal Security during 2004 to 2006. YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop became the Deputy Minister of the Federal Territory in 2006 to 2008, Deputy Minister of Defence in 2008 to 2009 and Deputy Minister of Home Affairs from 2009 to 2013.

YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop began his career as a police officer of the Royal Malaysian Police in 1964 and was seconded to the Anti-Corruption Agency in 1968. He read law at Middle Temple, London in 1974 and qualified as a Barrister-At-Law in 1977 and served as Deputy Public Prosecutor in 1978 to 1981. He is currently running his own legal practice.

DIRECTORS' PROFILE

CHONG CHEE SIONG

Independent Non-Executive Director

Malaysian

Male

48 years old

Mr Chong Chee Siong was appointed to the Board of TPC Plus Berhad on 30 November 2015. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and the Risk Management Committee.

Mr Chong Chee Siong graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College and has

about 4 years of auditing experience. He left as a General Manager after about 7 years in the commercial sector, including 3 years in a Malaysian public listed company, before starting his own business. Currently, Mr Chong Chee Siong is also a Director of another Malaysian public listed company.

CHONG PENG KHANG

Independent Non-Executive Director

Malaysian

Male

44 years old

Mr Chong Peng Khang was appointed to the Board of TPC Plus Berhad on 30 November 2015. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee and the Risk Management Committee.

Mr Chong Peng Khang graduated from Multimedia University, Malaysia with a Bachelor of Accounting (Hons) Degree. He is a Chartered Accountant of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants.

He began his career as an auditor with Deloitte Kassim Chan and subsequently Ernst & Young, involving in audit and business advisory of companies from various industries.

His experience covers audit and assurance engagements, corporate reporting and compliance, taxation and wide ranging overseas exposures. He has previously headed the accounting and finance division of a public company listed on the Main Market of Bursa Malaysia Securities Berhad and responsible for the corporate finance, accounting, tax and cash flow functions of the company and its subsidiaries. He has then held several senior finance roles in some major Malaysian conglomerate companies covering industries from manufacturing, heavy and process equipment, energy and automotive. Mr Chong Peng Khang is also a Director in two other Malaysian public listed companies.

Save as disclosed, the Directors do not have family relationship with any Director and/or major shareholder of TPC Plus Berhad.

During the financial year ended 31 December 2023, none of the Directors:

- have any conflict of interests or potential conflict of interest, including interest in any competing business, with TPC Plus Berhad or its subsidiaries;
- have been convicted of any offences within the past 5 years (other than traffic offences, if any); and
- have public sanction or penalty imposed by the relevant regulatory bodies.



KEY MANAGEMENT PROFILES

DATUK LIM YEW PIAU Chairman	LIM YEW KWANG Managing Director	LIM CHIAN HARN Executive Director
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The profiles of Datuk Lim Yew Piau, Mr Lim Yew Kwang and Ms Lim Chian Harn are listed in the Directors' Profiles on page 6 and 7.



LIM YEW CHUA

Project Manager

Malaysian

Male

57 years old

Mr Lim Yew Chua joined TPC Group since 2012. Mr Lim has over 30 years of poultry farming experience and knowledge. Mr Lim took several senior leadership roles in strategising and overseeing the Group's development throughout the years. He is also proficient in construction and managerial roles. Currently, he is primarily responsible in the overall development and construction of farm houses and various projects in the Group.

Mr Lim Yew Chua is a brother of Mr Lim Yew Kwang, Datuk Lim Yew Piau and all the directors of Huat Lai Resources Berhad, a substantial shareholder of the Company. He is also an uncle to Ms Lim Chian Harn. Mr Lim has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023.

KEY MANAGEMENT PROFILES



CHAM CHEE SONG

Feedmill Manager

Malaysian

Male

40 years old

Mr Cham Chee Song joined TPC Group in 2017. Prior to joining TPC Group, he has worked in the poultry farming sector for nearly 20 years. Mr Cham is currently in charge of the company's feed production planning and performance monitoring as well as the in-process and outgoing quality control of the raw materials and feeds.

Mr Cham is the cousin of Ms Lim Chian Harn. He does not have any conflict of interest with the Company. Mr Cham has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023.

LIM CHIN YOONG

Senior Grading Store Supervisor

Malaysian

Male

38 years old

Mr Lim Chin Yoong joined TPC Group in 2014. Mr Lim has held various positions since he joined TPC Group and raised from rank and file to his current position. Mr Lim is currently in charge of the day-to-day operation and management at the egg grading store. He also oversees the sales and distribution management to ensure that the Company achieve its sales target and that all egg deliveries are on schedule.

Mr Lim is the nephew of Datuk Lim Yew Piau and Mr Lim Yew Kwang. Mr Lim is also the cousin of Ms Lim Chian Harn. He does not have any conflict of interest with the Company. He does not have any conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023.

KEY MANAGEMENT PROFILES

ARSHAD AZIZ ABDULLAH

Farm Manager

Malaysian

Male

60 years old

Encik Arshad Aziz Abdullah joined TPC Group in 2021. Mr Arshad graduated from Universiti Pertanian Malaysia in 1988 with a Diploma in Animal Health and Production. Prior to joining TPC Group, he began his career with various poultry farming companies as the veterinary and farm manager. Mr Arshad has accumulated more than 30 years of experience in poultry management. He is currently responsible for managing the various aspects of the layer farm's operation and monitoring the health and production performance of the flocks. He also oversees the maintenance of all the machineries and equipment in the farms.

Encik Arshad does not have any family relationship with any Directors/major shareholder of the Company. He does not have any conflict of interest with the Company. Mr Arshad has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023.

FOO SHI JING

Account Manager

Malaysian

Male

32 years old

Mr Foo Shi Jing joined TPC Group in 2018. Mr Foo graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman University College, Kuala Lumpur. Prior to joining TPC Group, he started his career as an audit associate and worked his way up to become the audit senior before joining the Group in 2018. During his tenure in the field of auditing, he gained vast exposure and experience being involved in audits, tax, audit investigation, accounting, due diligence and corporate advisory works. His portfolio of clients ranged from small and medium sized enterprises, manufacturing companies, trading, property developers, public listed companies and large multinational companies. Mr Foo then started his career path with the Group as an account executive and was subsequently promoted as the account manager.

Presently, Mr Foo oversees the financial management of TPC Group. He is responsible for managing the accounting, taxation, the preparation and the reporting of financial as well as the non-financial related matters of TPC Group.

Mr Foo does not have any family relationship with any Directors/major shareholder of the Company. He does not have any conflict of interest with the Company. Mr Foo does not have any conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2023.

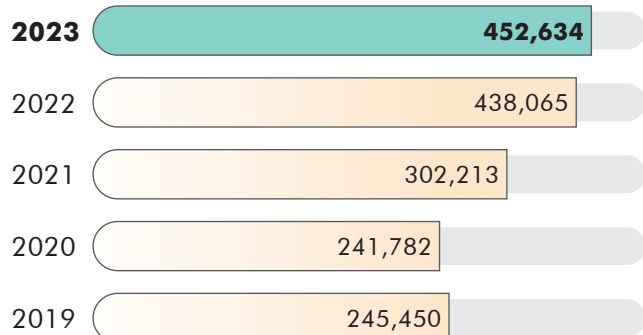
FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED 31 DECEMBER				
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	245,450	241,782	302,213	438,065	452,634
Profit/(Loss) before taxation	4,159	(29,122)	(30,981)	7,386	49,901
Profit/(Loss) attributable to owners of the Company	2,084	(22,754)	(28,453)	7,318	43,414
Total assets	198,017	203,460	221,286	227,739	308,610
Net assets	87,398	66,868	62,872	70,190	113,604
Current assets	91,037	98,305	110,660	123,027	190,219
Current liabilities	79,592	112,247	139,716	143,630	159,261
Share capital	52,010	57,099	86,080	86,080	86,080
Basic earnings/(loss) per share (sen)	0.89	(9.70)	(9.66)	2.37	14.08
Diluted earnings per share (sen)	0.77	N/A	N/A	N/A	N/A
Weighted average number of shares issued	233,795,275	234,525,557	294,654,686	308,232,783	308,232,783
Current ratio (times)	1.14	0.88	0.79	0.86	1.19

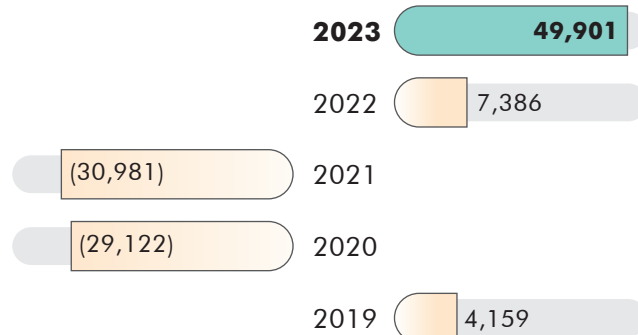
FINANCIAL HIGHLIGHTS

REVENUE

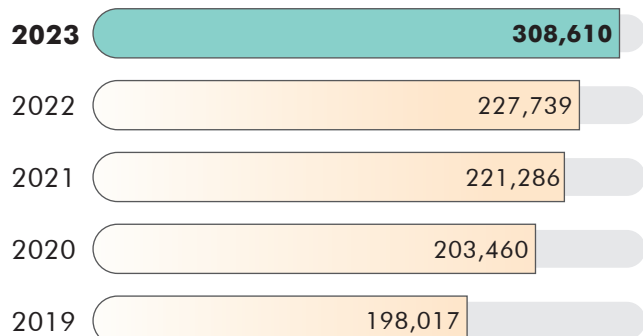
RM'000

**PROFIT/(LOSS) BEFORE TAXATION**

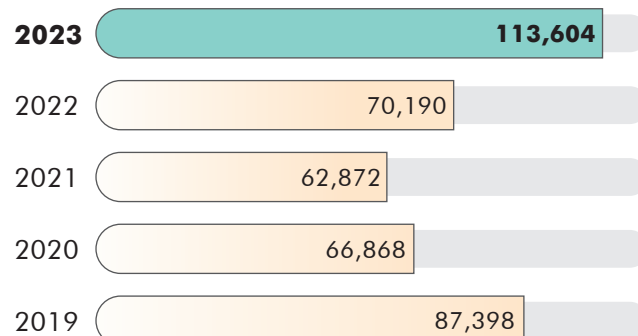
RM'000

**TOTAL ASSETS**

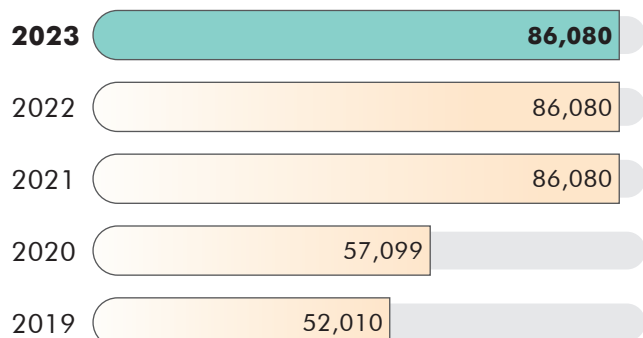
RM'000

**NET ASSETS**

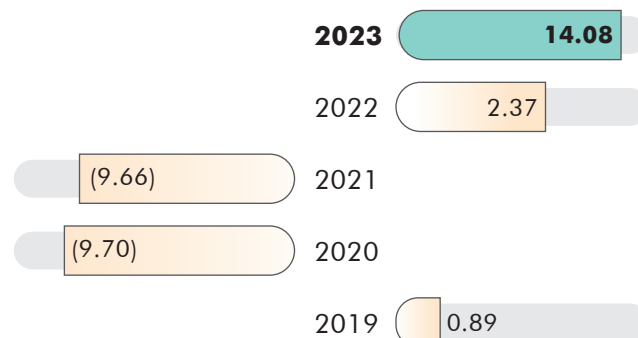
RM'000

**SHARE CAPITAL**

RM'000

**BASIC EARNINGS/(LOSS) PER SHARE**

RM'000



CHAIRMAN STATEMENT

“

Eggs serve as a vital source of affordable protein, vitamins, and minerals for countless families in Malaysia. Our steadfast commitment is to deliver nutritious eggs responsibly and sustainably, aligning with our mission to promote health and well-being in communities.

”

>>>

Dear valued shareholders,

on behalf of the Board of Directors, it is my pleasure and privilege to present to you the Annual Report of TPC Plus Berhad (“TPC” or “the Group”) for the financial year ended 31 December 2023 (“FY2023”).



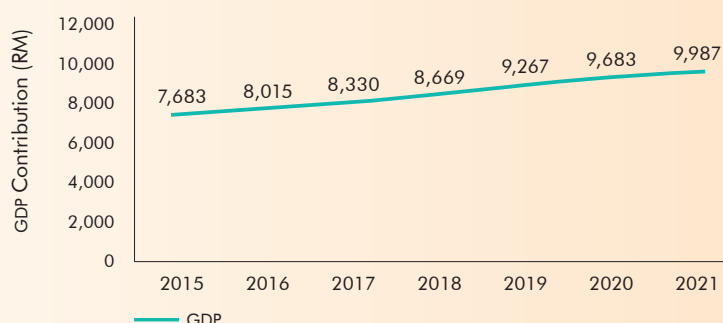


CHAIRMAN STATEMENT

The year 2023 held great significance for us, marking the twentieth anniversary since our initial public offering (IPO), prompting reflection on our journey's achievements! We take immense pride in nearly two decades of sustained growth and unwavering dedication to our core vision: To become a premier egg producer and the most trusted supplier of fresh, high-quality eggs and poultry products in Malaysia.

Eggs are affordable sources of protein and are widely consumed in Malaysia. They play crucial role in the country's food security and economy. The Gross Domestic Product (GDP) for the Poultry industry has increased steadily over the years, as shown in **Figure 1**. The poultry industry also contributed about 0.7% of the share of the GDP [1] in 2021. According to the Department of Statistics Malaysia, an average Malaysian consumed 224 eggs in 2020.

Figure 1: Gross Domestic Product Poultry Industry



I am glad that TPC returned another year of profitability after weathering through a very challenging business environment in the past two (2) years. Throughout the years, TPC Group has demonstrated remarkable resilience and continuous growth amidst a fiercely competitive business landscape. Despite enduring crises, including the challenging COVID-19 pandemic, we emerged stronger and more determined than ever before. Together with my esteemed colleagues on the Board and senior management, I assure you of our unwavering commitment to providing robust and responsible leadership, ensuring the Group consistently delivers value to our shareholders.

In fiscal year 2023, our primary focus was on improving profitability amidst a challenging business environment and overcoming post pandemic-related cost escalations in ongoing projects. With guidance from the Board and leadership from senior management, I am proud that the Group was able to achieve commendable performance amidst multifaceted challenges.

FINANCIAL HIGHLIGHTS AND INSIGHTS

I am pleased to report that the Group exhibited strong financial and operational performance, overcoming setbacks such as the lingering effects of COVID-19, inflationary cost pressures, high interest rates, and the ripple effects of the conflict between Russia and Ukraine, which led to significant increases in key raw material prices for poultry feeds.

FY2023

Revenue

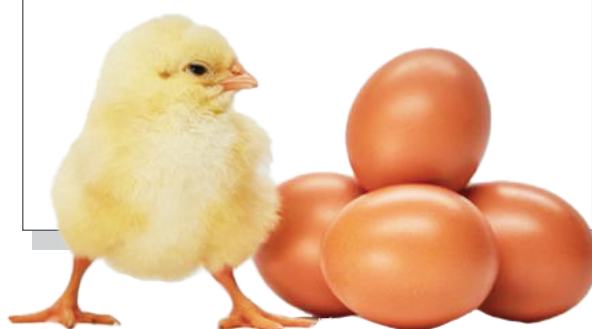
RM452.63 million

Pre-tax profit

RM49.90 million

Net Asset per share

RM0.37



CHAIRMAN STATEMENT

The Group recorded strong operating results in FY2023, revenue standing at RM452.63 million, showing an increase of 3.3% compared to the preceding year mainly due to the recovery of the average selling prices of eggs and higher sales volume of poultry feeds.

During the financial under review, TPC produced a total of 452 million eggs in FY2023 compared to 462 million eggs in FY2022, showing a slight decrease of 2.2%. The Group manufactured a total of 188,828 metric tons of poultry feeds which is 4.5% higher or an increase of 8,188 metric tons compared to the total feed production of 180,640 metric tons in the previous financial year.

In tandem with the higher revenue, the Group recorded a pre-tax profit for the financial year ended 2023 at RM49.90 million, an increase of 6.8 times as compared with the previous financial year. The improved pre-tax-profit was mainly attributed by better egg selling price and lower feed costs coupled with outstanding egg subsidies received from the Government to cushion rising production cost.

The profit attributable to equity shareholders increased to RM43.41 million in FY2023 compared to RM7.32 million in FY2022 and earnings per share for FY2023 stood at 14.08 sen against 2.37 sen in FY 2022 while our net asset per share stood at RM0.37 (FY2022 : RM0.23).

Overall, the Group closed the financial year with a robust financial position, recording higher cash and cash equivalent of RM48.88 million (FY2022 : RM15.26 million), higher current ratio from 1.19 in FY2023 (FY2022 : 0.86) and improved gearing ratio of 0.31 in FY2023 (FY2022 : 0.59). The Group regularly reviews all aspects of its capital structure with a focus on maximising returns to shareholders and maintaining financial strength and flexibility.

Further details on our Group's financial and operating performances for FY2023 will be discussed more extensively in the Management Discussion and Analysis in this Annual Report.

BOARD CHANGES

Amid this inflexion point for TPC, the Board continues to draw on the collective wisdom, broad perspectives and experience of the Directors to provide insights and counsel. Board discussions and meetings were held frequently to review the developments and the performance of the business and operations.

We express our sincere appreciation to Mr. Liang Ah Lit @ Nyah Chung Mun and Mr. Lim Yew Chua, who have recently stepped down from their roles as an Independent Non-Executive Director and Managing Director of the Group respectively, following nine years of dedicated service.

Throughout their tenure as esteemed members of the Board, their invaluable contributions have significantly enriched the Group. Through their active participation in Board committees, they have consistently provided insightful perspectives that have greatly advanced the Group's interests over the years.

We are thrilled to announce the appointment of Ms. Lim Chian Harn as an Executive Director, effective June 1, 2023. Ms. Lim brings over 10 years of invaluable experience in the poultry industry to our Group. Her expertise, particularly in finance and business strategies, will provide valuable market insights to our team. Furthermore, with her profound understanding of strategic financial management, Ms. Lim brings a unique perspective that will enhance our decision-making processes. Her addition to the Board not only enhances diversity in terms of gender and age but also enriches our leadership team with diverse core competencies and skillsets.





CHAIRMAN STATEMENT

BUILDING INTEGRITY AND SUSTAINABLE FUTURE

The Board regularly considers environmental and social matters, given their importance to our stakeholders and the Group's long-term strategies and performance. At TPC Group, we remain fully committed and strive to deliver excellence and sustainable value for all our stakeholders. We adopt a robust and holistic approach to positive environmental, social and governance (ESG) factors integrated across our business while managing our risks.

Our ongoing efforts related to sustainability are shared in the Group's Sustainability Statement, which will be updated annually. The Group's sustainability progress on material matters is further detailed in the Sustainability Statement 2023.

TOWARDS TPC'S NEXT CHAPTER

Animal protein production growth will slow as margins remain tight in 2024, with producers and processors needing to adapt to sustain success.

The shift comes as producers and processors navigate tighter margins due to structural changes to market conditions. Higher production costs and tighter supplies will push animal protein prices up and constrain global consumption in 2024.

Input costs and inflation are likely to fall but will remain at a higher level than pre-pandemic. There are also signs that consumers are growing used to higher prices and, in some markets, willing to pay a quality premium.

Source : Rabobank's annual Global Animal Protein Outlook report.

Eggs serve as essential nutritional staples for individuals both in Malaysia and globally. It is imperative for Malaysia to persist in investing in strategies aimed at maintaining their affordability and accessibility, aligning with the objectives of Dasar Agromakanan Negara ("DAN") 2.0. These objectives aim to elevate the self-sufficiency ratio (SSR) of eggs by 123%.

Enhancing production efficiency through the adoption of modern technology and improved breeding practices holds the potential to reduce production costs while augmenting supply. Market incentives such as subsidies and tax incentives can serve to incentivise production, while judicious trade policies can be employed to regulate imports, ensuring a balance between supply and demand. By implementing these measures, consumers can be assured of continued access to affordable and superior-quality poultry products.

In light of the above, the Group remains committed to take advantage of any growth opportunities that arise and continue to refine its existing cost efficiencies and capital management. The Group's prudent strategic perspective is to continue to increase its current eggs production and feed capacities, leveraging modern technology in order to sustain growth despite of many impediments.

Whilst the immediate future will undoubtedly be challenging, the Board and Management of TPC will continue to adopt strategies to control and to manage risks in order to stay ahead and defend our Group's market position as one of the main egg producers in Malaysia.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to extend my sincere appreciation to all of our stakeholders for the continuous trust and unwavering support in TPC Group throughout these difficult times. We would also like to convey our gratitude to all of the employees, thank you for your substantial contributions and dedication to work together to steer the Group through the storms.

The management will continue to replenish the order book, exercise financial prudence and tighten operating costs to maximise shareholders' value. For the journey ahead, we remain steadfast in our commitment to propel our business forward by capitalising on our diverse range of products and services. Drawing from our established track record and capabilities developed over the years, we are dedicated to ensuring the long-term viability of our enterprise. Our focus will persist on fostering value creation, promoting business sustainability, and implementing growth strategies across all segments of our Group.

The Board puts full support behind the Group's current strategic direction and is confident the Group and its Management team remain well placed to execute their plans to deliver future success.

Datuk Lim Yew Piau

Chairman
TPC Plus Berhad

MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW AND BUSINESS OPERATION

TPC Plus Berhad ("TPC" or "Company") stands as a stalwart presence in Malaysia's poultry farming sector since its inception in 1978, with its headquarters situated in Alor Gajah, Melaka. A pivotal moment in its history unfolded in 2003 when the company successfully debuted on Bursa Malaysia Securities Berhad, a milestone that has been met with unwavering support from investors, marking a testament to its enduring success and stability in the industry.

TPC Plus Berhad, together with its subsidiaries, (the "Group") initially ventured into the industry as egg producers, concentrating on the production, grading, packaging, and marketing of egg products within Malaysia. In April 2012, Huat Lai Resources Berhad acquired TPC Plus Berhad, now holding 59.02% of its issued share capital

as of the reporting date, propelling its growth in layer farms and egg production. TPC's integrated operations encompass the nurturing of day-old chicks, the care of pullets and layers, and the manufacturing and distribution of poultry feeds. With layer farms and feedmill plant strategically located in Alor Gajah, Melaka, and Rembau, Negeri Sembilan, TPC Plus Berhad presently supplies approximately 1.40 million eggs daily to a diverse clientele across Peninsular Malaysia.

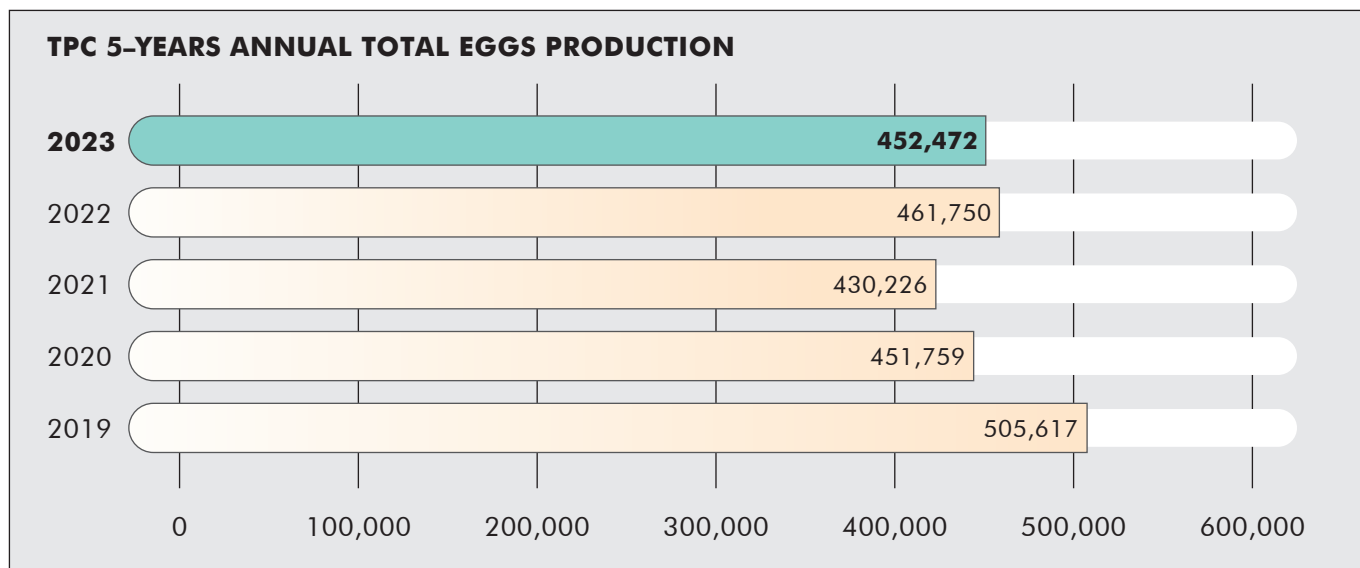
Dedicated to its vision of becoming a premier egg producer and the most trusted supplier of fresh, high-quality poultry products in Malaysia, the group consistently harnesses new technologies and talents to improve operational efficiency and enhance farm productivity.



MANAGEMENT DISCUSSION AND ANALYSIS

As of the close of FY2023, the Group possessed a total land extent of 294.83 acres valued at RM40.28 million, all held on a freehold basis. Ensuring top-notch quality and nutrition in its eggs remains paramount for the company, given its role as a primary food producer serving the local community. Through unwavering dedication, innovation, and a steadfast commitment to excellence, TPC aims to achieve economies of scale, sustainability, and consistency in its supply of table eggs, fostering growth and success in the poultry industry.

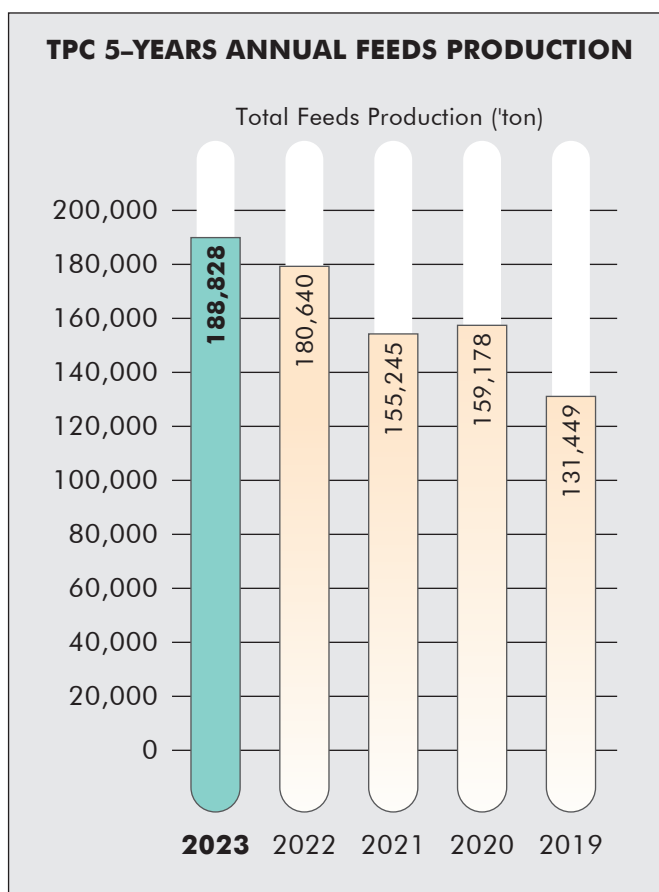
REVIEW OF OPERATIONS



Based on historical consumption patterns, we anticipate that the overall demand for eggs will typically correlate with population growth trends. However, various factors can influence both egg supply and consumption within specific periods. According to data from the Department of Statistics Malaysia, the average Malaysian consumed 224 eggs in 2020, with eggs achieving a Self-Sufficiency Rate (SSR) of 114.4% in Malaysia.

Despite the challenges posed by the volatility of the market and unforeseen circumstances in FY2023, TPC Group demonstrated commendable performance, ensuring sustained business growth and enhanced shareholder value. Amidst the shortage of Day-Old Chicks supply and Government's policies aimed at controlling egg prices during the year, the Group adopted a cautious yet opportunistic approach, focusing on seizing growth opportunities while maintaining prudent cost efficiencies and capital management.

We reaffirm our commitment to agility and productivity in navigating the unpredictable market landscape. In FY2023, our Group maintained its egg production levels, with total production slightly decreasing by 2.0% from 462 million eggs in FY2022 to 452 million eggs in FY2023. Despite this slight reduction, we remain dedicated to optimising our operations and delivering value to our stakeholders amidst evolving market conditions.



MANAGEMENT DISCUSSION AND ANALYSIS

In response to the growing number of birds, poultry feed production has been expanded accordingly. The production capacity of poultry feeds has seen a significant increase over the past years, rising from a total production of 131,449 tons in FY2019 to 188,828 tons in FY2023, marking a remarkable growth of approximately 44% over the past 5 years.

Moreover, this expansion in poultry feed production reflects our unwavering commitment to guaranteeing the optimal nutrition and health of our birds, thereby elevating overall productivity and quality across our operations. Furthermore, the increased investment in poultry feed production underscores our steadfast dedication to fulfilling the escalating demand for high-quality feed products and eggs in the market, all while upholding our standards of excellence and sustainability in poultry farming practices.

FINANCIAL PERFORMANCE REVIEW

	FYE 2023	FYE 2022	Percentage changes %
REVENUE	452,634	438,065	3.3%
COST OF SALES ("COS")	443,397	434,212	2.1%
OTHER INCOME	50,105	11,216	346.7%
FINANCE COSTS	3,461	2,910	18.9%
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")	63,393	20,030	216.5%
PROFIT BEFORE TAX ("PBT")	49,901	7,386	575.6%
NET PROFIT AFTER TAX ("PAT")	43,414	7,318	493.2%
PBT MARGIN (%)	11.0%	1.7%	547.1%
PAT MARGIN (%)	9.6%	1.7%	464.7%

FY2022, our net revenue surged to RM438.07 million, accompanied by other incomes totalling RM11.22 million and a net profit before taxation ("PBT") of RM7.39 million. These increases were primarily driven by higher selling prices for eggs and volume of eggs and poultry feeds sold. However, these gains were partially offset by heightened costs of feed ingredients and increased labour expenses. Notably, consumer demand demonstrated steady growth throughout FY2022, reflecting a resurgence in pre-pandemic activities among consumers.

REVENUE

Transitioning into FY2023, the Group experienced a notable uptick in revenue, marking an increase of approximately 3.3% to RM452.63 million compared to RM438.07 million in the previous financial year. This substantial revenue growth was predominantly propelled by an overall escalation in the selling prices of eggs and feeds, coupled with an augmented sales volume of eggs and poultry feeds. The heightened average selling prices of poultry feeds were primarily attributed to the prevailing inflationary conditions and the upward trend in feed ingredient costs.

COST OF SALES

The cost of sales comprises expenses directly associated with farm production, encompassing costs such as feeds, packaging materials, medicine, and the amortisation of biological assets.

The following presents the key variables affecting our cost of sales:

- Cost of livestock increased by 32.8% during the year considering the global shortage of commercial layers' parent stocks.
- Cost of direct labour is up by 24.9% mainly due to hiring additional foreign workers to cope with the current expansion projects of the Group.
- Higher production overhead resulted from higher cost of farm maintenance during the financial year.



MANAGEMENT DISCUSSION AND ANALYSIS

OTHER INCOME

Total other incomes consist of items not directly charged to, or related to, operations such as interest income, among other items.

In FY2023, the company recorded an income of RM50.11 million, compared to RM11.22 million in FY2022. The notable increase in other incomes was primarily attributed to the chicken egg subsidies received from the Government to mitigate the rise in production costs, along with higher interest income earned from the company's daily available funds in its bank accounts with licensed banks.

FINANCE COSTS

The Group's total finance costs for the year saw a marginal increase of 18.9%, rising from RM2.91 million in FY2022 to RM3.46 million in FY2023. This uptick was primarily attributed to the heightened utilisation of bank borrowings and the drawdown of term loans for expansion projects undertaken by the management throughout the financial year.

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")

The significant improvement in EBITDA from RM20.03 million in FY2022 to RM63.39 million in FY2023 underscores enhanced profitability and operational efficiency, reflecting positively on the company's financial health and value creation for stakeholders.

This improvement can be attributed to various factors:

Improved Selling Prices of Eggs : Higher selling prices for eggs directly contribute to increased revenue and improved EBITDA margins

Revenue Growth : Overall revenue growth, likely driven by increased sales volumes or higher selling prices of products, contributes positively to EBITDA

Cost Optimisation : Strategic cost optimisation initiatives help reduce operating expenses, thereby boosting profitability and EBITDA

Government Subsidies : Subsidies received from the Government help to offset production costs, positively impacting profitability and EBITDA

Overall, the significant improvement in EBITDA in FY2023 is a testament to the company's effective management strategies and its ability to adapt to market dynamics, ultimately driving enhanced financial performance and value creation for stakeholders.



NET PROFIT AFTER TAXATION ("PAT")

The net profit after taxation of the Group soared by RM36.10 million or 493.2% to RM43.41 million in FY2023 compared to FY2022. This remarkable increase in profits was primarily driven by an overall rise in the average selling prices of eggs, coupled with higher sales volume of poultry feeds and subsidies received from the Government to alleviate the escalating production costs during the financial year ending 2023.

Moreover, the surge in profit before taxation during the year was bolstered by the Group's cost optimisation initiatives and the subsidies received from the Government to partially offset the escalating production costs resulting from controlled egg prices. During the year, escalation in feed prices, stemming from the high prices of corn and soybean meal, exerted a direct adverse impact on the Group's performance, given the relatively tight supply of both raw materials in FY2023. It's worth noting that corn and soybean meal prices remained relatively stable at approximately RM1,450 per metric ton and RM2,750 per metric ton, respectively, in FY2023 compared to FY2022.

Despite the persistent high feed costs in FY2023, exacerbated by various factors including the Russia-Ukraine war, elevated fuel costs, transportation expenses, and robust export demand and restrictions, the performance of the Group remained resilient. These challenges led to near-historically high commodity prices worldwide and an overall increase in feed ingredient costs. However, the Group's performance sustained through the subsidies received from the Government, which helped alleviate some of the financial strain imposed by these external factors.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL POSITION STRENGTH

	FYE 2023	FYE 2022	Percentage changes %
Total Assets (RM'000)	308,610	227,739	35.5
Total Liabilities (RM'000)	195,006	157,549	(23.8)
Debt / Asset Ratio	0.63	0.69	8.7
Net Asset Per Share (RM)	0.37	0.23	60.9
Gearing Ratio (Times)	0.31	0.59	47.5
Current Ratio (Times)	1.19	0.86	38.4

The Group's financial position is the pillar of our support, underpinning our ability to drive core business outcomes. The Group achieved total assets at RM308.61 million as at 31 December 2023 indicating an increase of 35.5% from RM227.74 million in FY2022.

The increase in the total assets was due to (i) the increase of RM33.62 million in cash and cash equivalents of the Group during the year compared to the prior year's short-term investment, cash and cash equivalent balance. In addition, (ii) the trade receivables increase by RM39.77 million in FY2023 compare to the prior financial year. The Group's current assets comprising of inventories, biological assets, trade and other receivables, short term investment and cash and cash equivalents made up approximately 61.6% of the total assets. Separately, there is also (iii) increase in non-current assets of RM13.68 million mainly due to the acquisition of freehold land and equipment.

The Group's total liabilities increased by RM37.46 million or 23.8%, standing at RM195.01 million as at 31 December 2023. The change was primarily due to the higher utilisation of short-term borrowings and increased long-term borrowings to support the expansion and growth of our business during the financial period.

Total equity attributable to shareholders witnessed a notable improvement of 61.8%, rising from RM70.19 million (RM0.23 per share) in FY2022 to RM113.60 million (RM0.37 per share) by the end of FY2023. The net borrowings (total bank borrowings net cash and cash equivalents) as at the end of FY2023 stood at RM34.65 million against shareholders' funds of RM113.60 million, translating into gearing ratio of 0.31 times, manifesting an improvement by 47.5% compared to a year ago.

The Group closed the financial period with a robust financial position, boasting an improved current ratio of 1.19 times in FY2023 compared to 0.86 times in FY2022. This indicates a healthier liquidity position and underscores the Group's ability to meet its short-term obligations which come due within the next twelve-month period.

CASH AND CAPITAL MANAGEMENT

The Group regularly reviews and manages our capital structure to achieve a balance between shareholders' return and maintain a strong financial position.

	31st December 2023 RM'000	31st December 2022 RM'000
Net cash from operating activities	35,590	23,522
Net cash for investing activities	(24,494)	(2,669)
Net cash from/(for) financing activities	22,528	(13,698)
Net change in cash and cash equivalent	33,624	7,155
Cash and cash equivalents at beginning of the financial year	15,256	8,101
Cash and cash equivalents at end of the financial year	48,880	15,256



MANAGEMENT DISCUSSION AND ANALYSIS

To uphold a resilient capital structure, the Group carefully evaluates its operating cash flow, capital commitments, and any strategic investment opportunities that may arise. Given the current market challenges, we have implemented additional caution in capital and cash management practices.

The liquidity position of the Group remains strong, with cash and cash equivalents amounting to RM48.88 million as of 31 December 2023, compared to RM15.26 million as of 31 December 2022. This substantial increase underscores our prudent financial management and provides a solid foundation to navigate uncertainties and capitalise on growth opportunities effectively.

CASH FLOW FROM OPERATING ACTIVITIES

During the financial year under review, the key focus was to drive operational improvement which was significantly affected by low selling egg prices as the result of the pandemic in the last two years.

The net cash from operating activities was RM35.59 million for FY2023 compared to a net cash from operating activities of RM23.52 million for FY2022. The increase in cash inflow from operations resulted primarily from subsidies received from the Government accompanied with higher selling prices of eggs as well as the increased in the volume of sales of poultry feeds, partially offset by the increased feed costs and production costs. During the year, there was an increase of RM40.04 million in trade and other receivables compare to FY2022, mainly due to the increase in our trade receivable balances and which outpaced the increase in trade payables.

CASH FLOW FOR INVESTING ACTIVITIES

As of 31 December 2023, the Group reported a net investing cash outflow of RM24.49 million, primarily driven by an increase in short-term investments of RM3.53 million during the financial period. Furthermore, the Group invested RM23.27 million in capital expenditure during the year for land acquisition and to expand the production capacity of feedmill plants, indicating a strategic focus on enhancing operational capabilities and supporting future growth initiatives.

CASH FLOW FROM FINANCING ACTIVITIES

In FY2023, the Group's net cash from financing activities amounted to RM22.53 million, marking an increase from the net cash for financing activities of RM13.70 million in FY2022. This increase was primarily driven by the increased utilisation of bankers' acceptances facilities, totalling RM10.11 million. Additionally, management drew down an additional term loan of RM27.65 million, partly to finance the aforesaid capital expenditure.

This indicates that the Group possesses sufficient financing capabilities to capitalise on new investment opportunities, if they arise. The improved in overall cash flow for the FY2023 serves as an encouraging indicator of progress in the right direction, reflecting positively on the Group's financial health and potential for future growth.

CAPITAL STRUCTURE, RESERVE AND EXPENDITURE

As of 31 December 2023, the Company's share capital stood at RM86.08 million, consisting of 308,232,783 ordinary shares, with a net asset per share of RM0.37.

The Group finances its operations through various means, including internal funds generated from operations, credit extended by trade payables, banking facilities, and existing cash reserves. The Group has secured sufficient trade facilities from financial institutions to meet current operational working capital (i.e.: tradelines and overdrafts) as well as financing required for ongoing and future projects undertaking.

During the financial year ended 2023, the Group incurred capital expenditure totalling RM23.82 million. Details of our Group's capital expenditure are as follows:

Capital Expenditure	Amount (RM'000)
Freehold land	5,205
Buildings	1,012
Plant and machinery	16,886
Motor vehicles	672
Others	40
Total	23,815

Our overall capital expenditure has been predominantly allocated towards two key areas. Firstly, investments had been made in purchasing new machineries for our feedmill plants. As of 31 December 2023, these new machineries had been installed successfully and had undergone full test run, poised to enhance our production capabilities and efficiency in feed manufacturing.

Secondly, we also focused on enhancing our existing farm houses to improve operational efficiency and overall business performance. These enhancements are aimed at optimising our farming operations, ensuring the welfare of our livestock, and ultimately driving greater productivity and profitability across our operations.

MANAGEMENT DISCUSSION AND ANALYSIS

RISK FACTORS EXPOSURE AND MITIGATION MEASURES

Our business, financial and operational results are subject to numerous uncertainties and risks, where many of which are beyond our controls. Hence, the Group has put in place different risk management controls to minimise or to mitigate, if not to totally eliminate, the adverse impact or perceived risks associated in the business.



AGRICULTURAL RISKS

Egg production is subject to a variety of agricultural risks. Extreme or unusual weather conditions and any disease outbreak will adversely affect the quantity and quality of eggs produced and distributed. Despite our best effort, outbreak of disease may still occur and this will significantly affect the health of our flocks. Besides that, negative publicity of an outbreak in the poultry industry can easily impact consumers' perception even if our flocks are healthy and did not catch the disease. The challenges imposed by the changes in weather conditions can be fit broadly into two categories i.e.: higher costs and deteriorating productivity.

In anticipation of these risks, the Group has implemented a proper and timely vaccination programme for its flock so as to keep the resistance level high in its flock. TPC Group has its in-house veterinarian and experienced farm personnel who implements and monitors vaccination programmes to minimise the risks of disease outbreak. Efficient and effective programmes would ensure the flocks' performance is maintained at the optimal level. At the same time, overall farm productivity and state of health of the biological assets would not be compromised.

Furthermore, the Group is in the midst of converting all conventional opened flock houses into closed houses system ("CHS") that has a higher degree of biosecurity. This is due to the built-in ventilation technology to maintain the optimal temperatures and reduce the risk of heat stress. CHS will also create a more hygiene environment as it prevents the commercial layers from being afflicted by wild birds, which may potentially be a disease-carrier. This could substantially reduce the possibility of major diseases outbreak. All these actions taken by the Group will ultimately improve the productivity of its flocks.

However, despite the implementation of all the above measures by the Group, there is no assurance that any unforeseen disease outbreaks and adverse change in weather conditions will not have significant impact on the health or mortality of its flocks that will affect the Group's performance.

BUSINESS RISKS AND COMPETITION

The principal business activities of the Group are subject to certain level of risks inherent in the poultry industry. These risks include, inter alia, raw material shortages, rising cost of labours and feeds, decreased egg selling prices, fluctuation in demand for eggs and changes in environmental framework within which the industry operates. Therefore, our historical performances should never be presumed to be our future performances. During the time of increased demand, egg industry players tend to gear up in order to produce more eggs and hence resulting in an oversupply of eggs in the market.

Feed cost represents the largest element of egg production costs. As such, any increases in feed costs unaccompanied by the increases in the selling prices of eggs will affect the results of our operation. For the first time, Malaysia temporarily allowed the import of eggs from India as there's acute shortage of eggs in the country.

Despite the aforesaid, the Group will continue to manage and limit the risks through, amongst others, continued investment in CHS, further increasing automation in the production processes and continuous improvement in farm management. In order to maintain and grow the Group's market share, the Group places strong emphasis and efforts to invest in new technological innovations, aiming to enhance biosecurity of its flocks while continue to expand its current egg production. However, no assurance can be given that any changes to these factors will not have a material implication to the Group's performance and that the Company can maintain its current market position in the future.





MANAGEMENT DISCUSSION AND ANALYSIS

CHANGES IN DIGITAL TECHNOLOGY AND CYBER THREATS

Changes in digital technology and cyber threats are external factors that have developed and evolved very rapidly. In today's environment, due to competition and business development, it is crucial that businesses rely more on the use of modern technology and connectivity of information from various devices and work processes via the internet to increase business efficiency and create good experiences for customers while considering the security of the information technology system of the organisation.

Therefore, the company has prepared to support such developments and technological changes, as well as consider technology risks that may have a significant impact on current business disruptions, through the establishment of an information technology center in order to plan, monitor, and provide tools to prevent risks and continue to manage the Company's existing system.

CLIMATE CHANGE AND NATURAL DISASTER

Fire, extreme weather, climate change, or natural disaster including floods, hurricanes or other storms could impair the health of our flocks as the result of the interference caused by power outages, damage to the existing production facilities, among other things. The Company has put in place strict Standard Operating Procedure (SOP) which adhere to the Government Regulation. Necessary steps have been taken to acquire related insurance policies that cover damages due to certain accidents and to preserve cash during challenging times.

CHANGES IN THE ECONOMIC, POLITICAL AND REGULATORY CONDITIONS

Any adverse developments in macroeconomics both globally as well as within the nation can have impact on the financial performance of the Group. Any changes in the governmental policies such as introduction on new regulation, licensing, minimum wage policy and price control scheme on poultry products can bring impact to the Group.

The Group constantly keeps up-to-date with the current economic, political, and regulatory conditions so that preventive and corrective actions can be taken in a prompt and immediate manner upon the awareness of any changes that can affect the Group's business. The key management personnel always work closely with the Department of Veterinary Services (DVS), Audit Committee and supported by other external professionals to always stay updated about the latest change in regulations and requirements.

RISKS MANAGEMENT FRAMEWORK

The Group aimed to cultivate its risk management culture by promulgating the risk management framework throughout the organisation. Further information on the

structure of the risk management and internal control of the Group can be found in the *Statement on Risk Management and Internal Control* of this Annual Report.

FUTURE PROSPECT AND OUTLOOK

As we embark on a new financial year, we anticipate continued challenges in the business landscape, including inflation, interest rate hikes, geopolitical conflicts, and currency fluctuations such as the weakening Malaysian Ringgit against the United States Dollar (USD). These factors, compounded by the risk of recession in major global economies, present formidable obstacles. However, despite these challenges, we maintain an optimistic outlook for the Group's prospects, aligning with national initiatives outlined by the Malaysian Government.

Our confidence in the future is bolstered not only by the Group's solid financial position but also by the collective teamwork, agility, and resilience ingrained within our organisation. With a robust balance sheet and cash-generative businesses, we possess the flexibility to effectively navigate potential risks and capitalise on opportunities across various economic scenarios.

Looking ahead, our management team is committed to prioritising operational efficiencies to enhance both operational and financial performance in response to evolving market dynamics. Furthermore, we aim to leverage our scale to expand our customer reach while maintaining our dedication to continuous improvement in environmental stewardship.

With a healthy and robust cash reserve, the Group is poised to remain resilient as we venture into the new financial year. We are actively exploring opportunities to strengthen and diversify our revenue streams, ultimately enhancing shareholder value. Through our proactive and agile approach, we are confident in our ability to navigate challenges effectively and drive sustainable growth for the Group.

DIVIDENDS

The Company does not have any formal dividend policy. While we recognise the importance of rewarding our shareholders for their support, the decision to declare a dividend is subject to several factors, such as financial performance, capital expenditure requirements, general financial condition, and any other factors considered relevant by our Board.

Given that the holding company is still in an accumulated losses position, there are no distributable profits available for dividends. Moving forward, company will continue to prioritise to restructure and restore profitability of holding company's financial position before considering any dividend payments. Therefore, Board is not able to recommend any dividend payment for FYE 2023.

SUSTAINABILITY STATEMENT



Dear Valued Stakeholders,

Amidst recovery from the pandemic suffered from the past two (2) years, the nation is now experiencing a societal shift towards sustainability affairs. For TPC Plus Berhad ("TPC" or "the Company") and its subsidiaries ("TPC Group" or "the Group"), we view sustainability commitments and efforts as the holistic approaches in achieving long-term value creation for our various stakeholders.

The Board of Directors of TPC ("the Board") is pleased to present this Sustainability Statement ("Statement") for the financial period ended 31 December 2023 ("FY2023") which details our sustainability strategies and performance in addressing material sustainability risks and opportunities within the context of Economic, Environment, Social and Governance.

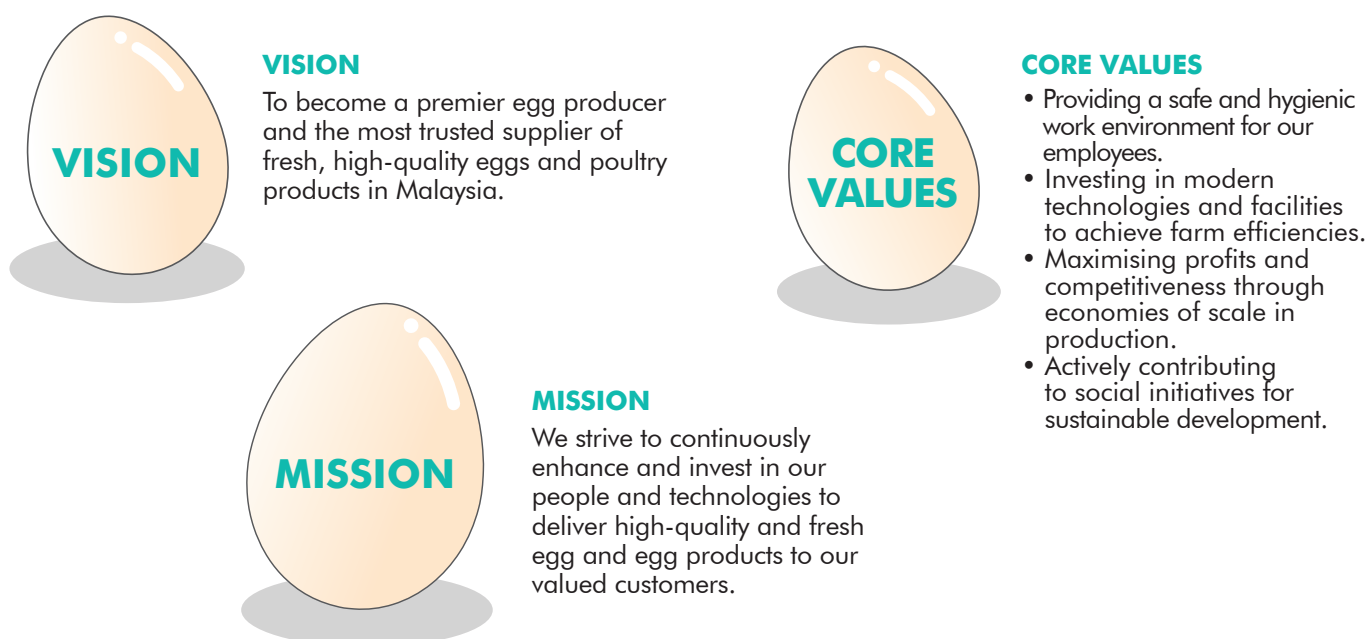
1	Scope	This Statement covers the Group's layer farming and feed mill divisions in Melaka and Negeri Sembilan, Malaysia
2	Reporting Period	This Statement covers the reporting period from 1st January 2023 till 31st December 2023.
3	Guidelines and References	With reference to the amendments to the Main Market Listing Requirement ("MMLR") on sustainability reporting issued by Bursa Malaysia Securities Berhad (" Bursa "). We have also taken into consideration the <i>Sustainability Reporting Guide – 3rd Edition</i> along with its accompanying toolkits from Bursa Securities.
4	Feedbacks	In our continuous effort to improve sustainability measures and reporting standards, we welcome stakeholders' feedback on this Statement and any other relevant matters. Relevant feedback, comments and enquiries can be directed to contact@tpc.com.my



SUSTAINABILITY STATEMENT

SUSTAINABILITY FRAMEWORK AT A GLANCE

Guided by the Group's vision, mission and core values, we have developed a sustainability framework, covering our sustainability objectives, sustainability agenda and the identified key stakeholders relevant to us as follows:



SUSTAINABILITY OBJECTIVES	SUSTAINABILITY AGENDA	STAKEHOLDERS
<ul style="list-style-type: none"> • Ensuring a safe workplace for our employees • Continuously providing learning and development opportunities for our people to develop their skills and competencies • Deliver Sustainability Growth • Minimise environmental impact • Enhancing responsibilities to society and community 	<ul style="list-style-type: none"> • Economic • Environment • Social • Governance 	<ul style="list-style-type: none"> • Shareholders • Customers • Suppliers / Sub-contractors & Business Partners • Employees • Bankers • Local Communities • Government & Regulators

SUSTAINABILITY STRUCTURE

Alongside the development of our sustainability framework, we recognise the importance of having an effective sustainability governance structure to execute our sustainability agenda across the Group.

Here in TPC Group, our sustainability agenda is driven by the tone from the top where the Board of Directors holds the ultimate responsibility on the Group's overall sustainability initiatives, strategies and performance monitoring.

The Board, will be supported by the Sustainability Committee ("SC") who will oversee all sustainability initiatives and matters in TPC. Strategic management of the Group's sustainability matters are led by our SC who are responsible to lead the formulation of sustainability objectives, targets, priorities and policies with the evaluation on our sustainability agenda. The SC also ensures that the development of our sustainability strategies are in line with the Group's business objectives.

SUSTAINABILITY STATEMENT

Our SC is supported by the Sustainability Working Groups ("SWG"), comprising the senior management team who are responsible to develop the specific sustainability programme and goals within their respective purview in the daily operations. They assume the executive role to implement such programme and track the sustainability metrics and measures and report to the SC on the progress and status of the action plans thereafter for a continuous sustainability performance monitoring. With their expertise in the respective function, they advise and highlight sustainability risks and opportunities to the SC to ensure that the Group's sustainability management remains current and relevant to the latest business environment.



OUR CONTRIBUTION TOWARDS SUSTAINABLE DEVELOPMENT

Seventeen (17) Sustainable Development Goals (SDGs) were set by the United Nations General Assembly in 2015 to counter major global issues such as urbanisation, climate change, resource scarcity, demographic and social change, and global economic condition by the year 2030 entails contributions from governments, civil society, and businesses. All the countries and stakeholders, acting in collaboration, will strive to implement this plan. The 2030 Agenda for Sustainable Development shapes the journey and sustainable enhancement in Malaysia. Aligning with the aspiration of our government, we will enhance our strategies and efforts to adopt these goals progressively as part of our sustainability journey.


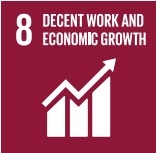




17 Sustainable Development Goals (SDGs) By United Nations General Assembly 2015





SUSTAINABILITY STATEMENT

Aligning ourselves to the aspirations of the Malaysian Government, we have identified six (6) SDGs that the Group commits to support directly and/or indirectly as part of our sustainability journey.

SDG	Goals	Management Approaches
Goal 3 	Ensure healthy lives and promote well-being for all at all ages.	We are committed to creating a safe workplace and promoting healthy living amongst our employees.
Goal 8 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	We aim to create a workplace that is conducive to productivity and growth by providing job opportunities and equipping our employees with various training and development programs.
Goal 10 	To support workplace diversity and inclusivity.	We recognise our people as the driving force behind our success and are dedicated to build a workforce that embrace the beauty of inclusivity, diversity and equitability.
Goal 11 	Promote environmentally friendly initiatives which involves a holistic approach that integrates sustainable practices into all aspects of the organisation's culture, operations, and relationships with stakeholders.	We delve into the specific actions and strategies involved in fostering sustainability within the organisation such as implement comprehensive waste management strategies and policy development.
Goal 12 	Ensure sustainable consumption and production patterns.	We ensure that our business complies with the rules and regulations of waste management.
Goal 16 	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	We place ethics and integrity at the centre of our business operations and have policies in place towards embedding such values throughout our organisation.

SUSTAINABILITY STATEMENT

STAKEHOLDERS ENGAGEMENT

Stakeholders are the individuals or entities who may be impacted by our business decisions and operations. As part of our sustainability management, we perceive an effective and on-going stakeholders' engagement is essential for us to gain an insight on their areas of concern and expectations for the development of our sustainability strategies.

For the FY2023, we have interacted with our key stakeholders with the following approaches:

Stake Holder Group	Engagement Approach	Engagement Focus & Objectives	Frequency	Initiatives to include
Customers	<ul style="list-style-type: none"> Customer feedbacks/ complaints Email and physical communications Questionnaires 	<ul style="list-style-type: none"> Food safety and quality Supply consistency Customer feedback review/ experience Timely project delivery 	On-going	Customer Careline, Market Research, Company Website
Employees	<ul style="list-style-type: none"> On-going trainings and developments Performance appraisal system Internship programme Questionnaires 	<ul style="list-style-type: none"> Employees' welfare and safety Career development Competitive remuneration and benefits Corporate culture Employees engagement 	On-going/ Monthly/ Quarterly/ Yearly	Yearly trainings, daily or weekly talk, yearly performance appraisal, CSR volunteering activities, Communication with Management
Suppliers / Subcontractors & Business Partners	<ul style="list-style-type: none"> Email and physical Communications Direct negotiation by phone calls or via email Sound payment practices Long term business relationship Questionnaires 	<ul style="list-style-type: none"> Payments Transparent procurement practices 	On-going/ Periodical	Supply contract negotiation, supplier commitment, supplier audit and evaluation, sound payment practices
Government & Regulators	<ul style="list-style-type: none"> Bursa Malaysia Reporting Regulatory Compliance Authorities Labour practices 	<ul style="list-style-type: none"> Compliance Food safety Biosecurity Labour and employment issues Government taxes contribution 	Quarterly/ Yearly	Formal meeting physically and virtually, inspection by local authorities, quarterly production report submission
Local Communities	<ul style="list-style-type: none"> Community engagement programme (CSR projects) Sponsorships Domestic Job Opportunities Environmental impact from business operations 	<ul style="list-style-type: none"> Social welfare and contributions Biosecurity and farm management 	On-going	Sponsorships and donation of eggs, participation in CSR activities



SUSTAINABILITY STATEMENT

Stake Holder Group	Engagement Approach	Engagement Focus & Objectives	Frequency	Initiatives to include
Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Investor relations • Quarterly financial results • Bursa Announcements • Annual report • Corporate website • Questionnaires 	<ul style="list-style-type: none"> • Financial performance • Business growth and risk • Corporate Strategy and performance • Business outlook and prospects 	Quarterly/ Yearly/ As needed	Annual General Meetings (AGMs), Quarterly financial result announcement
Bankers	<ul style="list-style-type: none"> • Quarterly announcement • Annual report • Physical communications / farm visits • Direct communication via phone calls or emails • Questionnaires 	<ul style="list-style-type: none"> • Financial performance and liquidity • Business growth and risk • Repayment ability 	Monthly/ Quarterly/ As needed	Formal meeting physically, email and phone communication, site visits, monthly bank statements



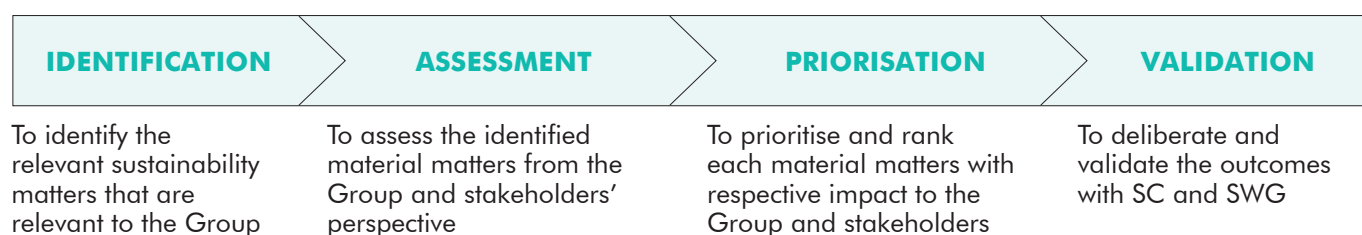
SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT AND SUSTAINABILITY STRATEGIES

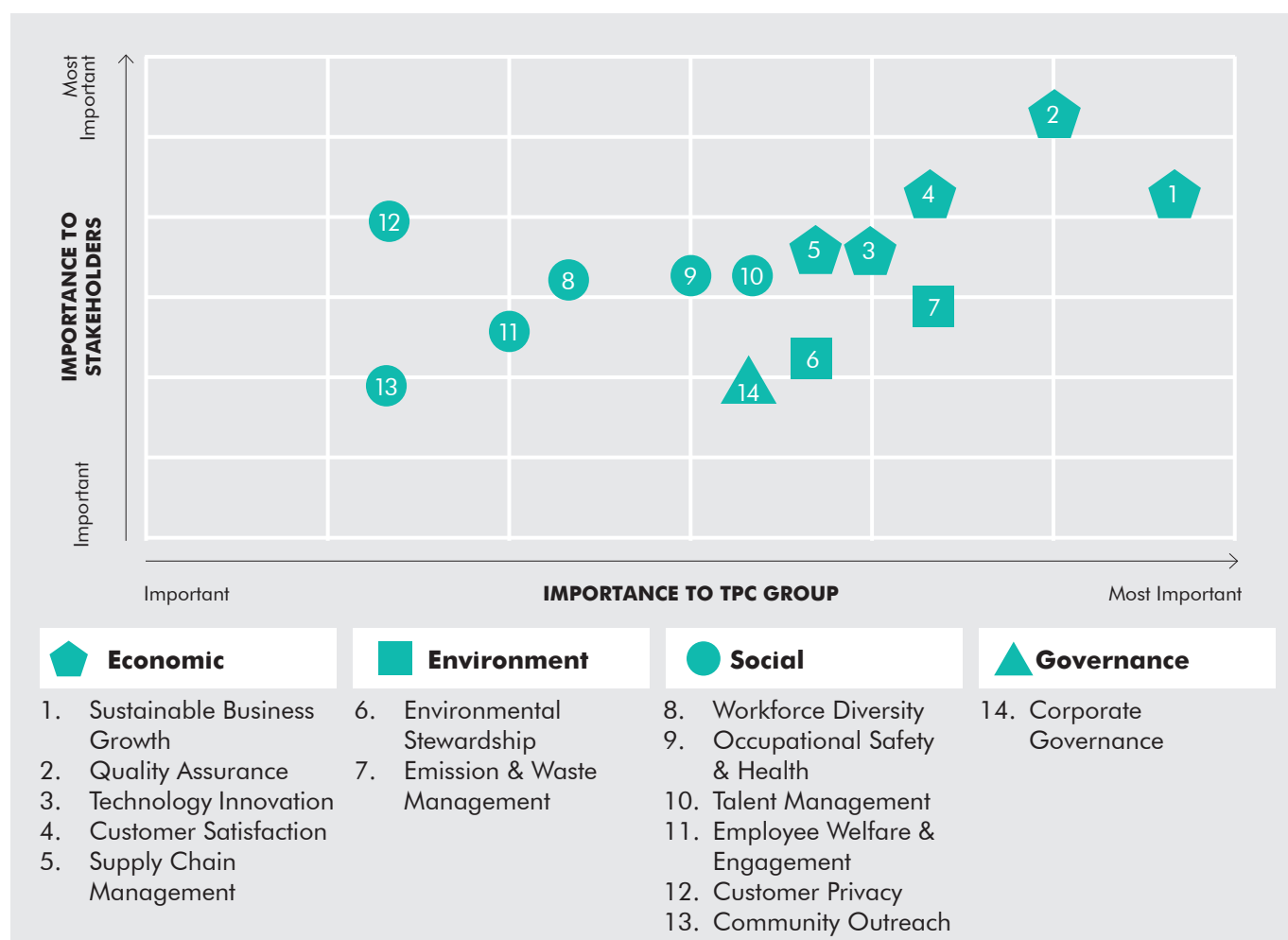
Materiality assessment is integral to the Group's sustainability management journey as it assists the Group to identify, assess and prioritise the key sustainability risks and opportunities. A solid understanding on our stakeholders' expectations enables us to identify the material sustainability matters which are most relevant to the Group as well as to our stakeholders.

In FY2023, we have conducted an annual materiality assessment to revisit our existing fourteen (14) sustainability matters to assess their relevancy and to identify any newly arising sustainability risks and opportunities. This assessment process was carried out by way of assessment survey. Stakeholders' prioritisation on material matters were gathered from the survey were tabulated and materiality matters were plotted on the materiality matrix to determine its priority.

We have adopted a similar but shorter four-step approach to perform materiality assessment in FY2023, summarised as follows:



The matrix below illustrates **14 materiality factors** which have been identified as being relevant to our business operation, based on the priorities of the organisation.





SUSTAINABILITY STATEMENT

In TPC, we aim to integrate sustainability consideration into every aspect of our business in order to build a strong foundation to sustain and expand our business in long run. Accordingly, our sustainability strategies are developed for integration into our daily operations. To further enhance our sustainability management, our sustainability strategies are being benchmarked against a global sustainability standard, namely the UNSDG.

In FY2023, we have mapped **six (6) UNSDGs** to our material matters and sustainability strategies, tabled as follows:

	Material Matters	Sustainability Strategies	UNSDG Mapping
ECONOMIC	Material Matters <ul style="list-style-type: none"> • Sustainable Business Growth • Quality Assurance • Technology Automation • Customer Satisfaction • Supply Chain Management 	<ul style="list-style-type: none"> • To expand market presence via wholesalers, distributors, hypermarkets and bakeries • To maintain the quality, safety and freshness for our egg products • To leverage on technology automation for operational efficiency • To understand customers' requirements and satisfaction level for continuous improvements • To adopt responsible procurement practice, whenever viable 	 
ENVIRONMENT	<ul style="list-style-type: none"> • Environmental Stewardship • Emission & Waste Management 	<ul style="list-style-type: none"> • To promote environmentally friendly initiatives • To protect the environment with on-going environmental monitoring and management 	 
SOCIAL	<ul style="list-style-type: none"> • Workforce Diversity • Occupational Safety & Health • Talent Management • Employee Welfare & Engagement • Customer Privacy • Community Outreach 	<ul style="list-style-type: none"> • To support workplace diversity and inclusivity • To increase employees' Occupational Safety & Health ("OSH") awareness and prevent workplace injury • To invest in the training and development of our employees • To protect our employees' rights and interests at all times • To safeguard our customers' information and prevent data leakage • To contribute to the local community 	  
GOVERNANCE	<ul style="list-style-type: none"> • Corporate Governance 	To uphold ethical business practices and adhere to all applicable laws and regulations	

SUSTAINABILITY STATEMENT

ECONOMICS

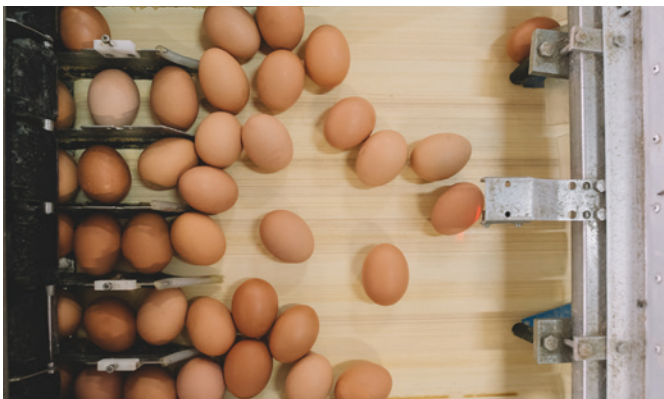
SUSTAINABLE BUSINESS GROWTH

To achieve continuous revenue growth

TPC Group has pursued a growth strategy in expanding its eggs production over the years since 2012. The total egg production has grown by 74.5% from 259 million eggs in FY2014 compare to 452 million eggs in FY2023. The strength of our position is evidenced by having increasing market shares over the past years. We have marketed our eggs to a diverse group of customers, including wholesale egg dealers, retailers, fast food restaurants, supermarkets and even directly to food manufacturers in Malaysia.

In July 2017, the management decided to take the business to another level by building its own feed mill plant. The Group adopted a fully integrated business process by manufacturing high quality feed that are carefully formulated and mixed to cater for the needs of commercial layers at different growing stage. From the production of the feeds to egg handling, the business processes are fully controlled and monitored internally within the Group.

Over the years, management continues to implement the growth strategy, operate and expand the existing businesses thereby creating job opportunities and improve the well-being of the society. As such, we are committed to steer our business in a financially sustainable way in order to drive long-term value creation for our stakeholders. If opportunities arise, the Group still look forward to pursue any additional growth opportunities that could add value or to diversify our existing operations.



QUALITY ASSURANCE

To uphold our MeSTI and HALAL Certifications Status

We are well aware that our customers' trust and confidence correlate positively with our quality assurance. Hence, the quality of our products, services and projects are always on our top focus list.

TPC regularly takes necessary steps to improve the quality, safety and freshness of our egg products, poultry feeds quality and delivery service efforts in order to demonstrate our commitment to all of our customers. During the year, the Group has diversified our products to produce omega eggs on top of our existing normal eggs in order to satisfy different demand needs.



The Company has also demonstrated its commitment to adhering to a comprehensive range of basic hygiene requirements by successfully obtaining MeSTI (Makanan Selamat Tanggungjawab Industri) Certification. This certification validates the Company's compliance with stringent standards encompassing operational control, hygiene and maintenance practices, traceability, and meticulous record-keeping.

To maintain the highest standards of quality, TPC strictly controls the sourcing of feed ingredients. Each ingredient undergoes proactive sampling and rigorous testing for both safety and quality assurance. Our commitment to excellence extends to utilising 100% natural feeds, including corn, soybean and others. These ingredients are meticulously mixed at our dedicated feed meal plant to guarantee purity and freshness. This meticulous process ensures that our livestock receive the best possible nutrition while upholding our unwavering dedication to quality control and freshness.

Besides, our sales and marketing team is committed to regularly obtain our customers' feedbacks, resolve customers' concerns and complaints immediately in order to gauge our product quality. Besides, the Group's Quality Assurance team will conduct in-house test and to issue Certificate of Analysis ("COA") to our liquid eggs customers from different food industry in order to confirm our egg product meet its appropriate specification. The Group accentuates quality assurance of the production process to ensure safety and quality as per the standard.

Moving forward, we will continue to uphold our quality management so as to enhance our customers' confidence and our branding image of our products.



SUSTAINABILITY STATEMENT

ECONOMICS

TECHNOLOGY AUTOMATION

Embrace automation to streamline processes, improve productivity and drive success

TPC has implemented automation for specific processes and tasks to diminish reliance on manual labour and enhance operational efficiency. This strategic move is vital to maintaining uninterrupted operations, particularly as TPC has expanded its capacity over the years and encountered stricter governmental regulations on foreign labor.

Ensuring proper housing conditions for hens is of paramount importance to optimise their performance. TPC invested in a closed house system to create the ideal environment, leading to enhanced egg production and the overall well-being of our hens. By implementing this system, we aim to register significant improvements in egg production while prioritising the health and welfare of our poultry.



Implementing a robust climate control system mitigates the adverse effects of extreme weather and temperature fluctuations on our hens. By maintaining stable and comfortable conditions throughout the day and night, this system guarantees a consistent and favorable living environment for our laying hens.

Consequently, we can anticipate improved egg production and enhanced health for our animals, contributing to a more enjoyable working environment overall.

In addition, TPC also invested in has further enhanced its operations by installing state-of-the-art, fully automated, and computerised egg-grading and sorting machines. This investment significantly reduces the necessity for laborious manual inspection processes.

With these cutting-edge technologies in place, TPC not only ensures precision and efficiency in grading and sorting eggs but also minimises human error and maximises productivity. This modernisation underscores TPC's commitment to innovation and quality, positioning the company as a premium egg producer in the industry while improving overall operational effectiveness.



SUSTAINABILITY STATEMENT

ECONOMICS

CUSTOMER SATISFACTION

Exceed customer expectations and delight them through ongoing improvement



TPC places heavy emphasis on customers' satisfaction as we understand that high level of customers' satisfaction translates to positive brand image and reputation. In this regard, we actively engage with our customers mainly via emails, phone calls and physical communication. We are committed to provide a swift response to our customers' products and/or services enquiry with price quotation within 24 hours upon reaching our sales personnel.

During FY2023, we received 8 complaints, mainly related to the egg shortages mainly due to the supply chain disruption. Nevertheless, all complaints have been addressed appropriately by our customer service personnel.

Our customers are welcome to provide any feedbacks, comments and enquiries via the following channels and we are committed to address such concerns within the target of 24 hours during working days:



Call us at 06-5529079



Email us at contact@tpc.com.my

SUPPLY CHAIN MANAGEMENT

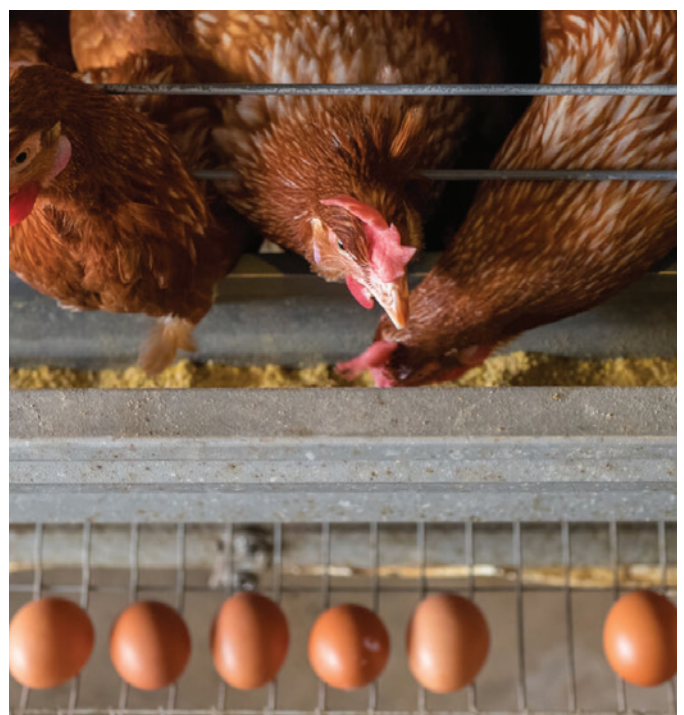
Delight customers by exceeding expectations through continuous improvement

In our commitment to sustainability, we prioritise integrating sustainable practices into our supply chain management whenever feasible.

While we integrate responsible sourcing practices, we also prioritise the quality of feed raw materials supplied by our suppliers and quality of Day-Old Chicks (DOC). To ensure these, we maintain regular communication and testing focusing on their quality and delivery performance.

We are pleased to report that in FY2023, all our suppliers met our requirements. Additionally, in alignment with **SDG Target 8.1**, we actively support local suppliers, thereby contributing to our domestic economy.

In FY2023, 100% of our procurements across the Group were locally sourced.



SUSTAINABILITY STATEMENT

ENVIRONMENT

ENVIRONMENTAL STEWARDSHIP

To preserve the environment and minimise adverse environmental impact from business

In operating the business, the Group remains committed to protect the environment and this commitment can be seen in various initiatives that have been put in place. The Group pursues practices that promote preserving natural resources for future generations, leaving minimal adverse environmental footprints.

Conserving nature is always the Group's top priority. Poultry manures in the Group will be sold as organic fertilisers for use in the agriculture industry instead of chemical fertilisers which will help to create a less contaminated environment. The Group is also aware that the foul odour and flies arising from the poultry manure will affect the communities located near the farms. It is currently in the process of converting all of its farmhouses to the closed-housed system which will likely alleviate the problems with flies.

Preventing pest and wild bird invasions is crucial for disease prevention. To address this, we've implemented a preference for non-chemical methods of control. Here's what we've done:

Wire Nettings: We've installed wire nettings at key locations such as chicken houses around the farm, the feed mill, and the egg store distribution centre. These nettings serve as the primary measure to prevent wild birds from entering these areas, thereby reducing the risk of disease transmission.

Traps: Additionally, traps have been strategically placed at designated locations as a secondary measure against intrusions by rodents. This helps to further mitigate the risk of pests infiltrating our facilities and potentially spreading diseases. By prioritising non-chemical methods such as wire nettings and traps, we aim to effectively control pest and wild bird invasions while minimising environmental impact and promoting sustainable practices in disease prevention.



Electricity Consumption

The Group has been actively imposing standards to effectively control the consumption of energy including **electricity and water**.

Our operation primarily relies on electricity to power farm plants and machinery. This includes various agricultural equipment, such as ventilation systems, feed mills, and lighting within livestock housing facilities, egg grading stores and offices.

Annual Electricity Usage (kWh)	
FY2022	FY2023
9,053,164	9,041,971

In FY2023, the Group's annual electricity usage has reduced by 0.1%. We understand that energy management is essential for combating climate change and for lowering an organisation's overall environmental footprint. Our electricity supply is from the local supply and we aim to minimise the energy usage in our head office by implementing the following efforts:

- A lighting schedule across key areas in our premises to switch off lights during certain hours of less use.
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency.
- Other electrical appliances in the office and pantry when they are not required.

SUSTAINABILITY STATEMENT

ENVIRONMENT

Water Consumption

As a Group with sustainable commitment, we promote water-saving practices among employees. The water consumed by the employees is obtained from the municipal water supply. We have taken small steps to control the water used to be in line with the sustainability efforts, namely:

- **Slow the flow** - Adjusting water pressure/outflow for toilets, washbasins, and pantry, throughout our office premises
- **Seek the leak** - Conducting checks and fixing leaks immediately, where possible

Water is utilised in various essential functions, including maintaining temperature through cooling pads in chicken houses and for feeding livestock.

Annual Water Consumption (litre)	
FY2022	FY2023
164,752	108,671

In the financial year 2023, water consumption has decreased by 34% compared to the previous reporting year as the result of the efforts to promote water-saving practices among employees.

Water Treatment

TPC has invested in its own water treatment to process and treat natural water resources. In order to ensure the safety and quality of the processed water for consumption by the livestock, samples are regularly collected and sent to external laboratories for testing. This rigorous testing regimen ensures that the water meets stringent quality standards and is free from contaminants that could potentially harm the health and well-being of the livestock.

By maintaining strict quality control measures and regularly monitoring the water supply, TPC demonstrates its commitment to providing a safe and healthy environment for its livestock, thereby upholding high standards of animal welfare and product quality.

EMISSION AND WASTE MANAGEMENT

To ensure proper management of emission and waste disposal in compliance with environmental

In compliance with the Environmental Quality Act 1974, the Group is cognisant of its responsibility in practising responsible emission and waste disposal in order to minimise the adverse environmental impact arising from our business operation.

TPC acknowledges that the environmental impact of paper usage is significant. The Group's approach to waste management is to avoid unnecessary paper consumption and waste generation, where possible and appropriate, in order to reduce wastage. TPC has always looked at ways to reduce paper usage so that less waste. Generally, the Group practises the following on paper management :

- **Reducing paper** - by encouraging avoiding printing and photocopying and emphasising paperless and electronic mode. In addition to this, practise double-sided printing or reduce the size to have the best economical usage of papers.
- **Reusing** - by printing on the other side of the printed papers.
- **Recover and recycle** - recycle the papers by having proper recycling bins.

Apart from that, recycling waste (waste management) has become the Group's daily routine. Old newspapers, magazines and used paper egg trays are all the common materials collected regularly and sent to facilities for proper handling. The Group has also recently purchased reusable plastic egg trays to collect the eggs from the farms and later on be transferred to the grading store. This is to slowly minimise the usage of paper egg trays to reduce waste created from operations.

Papers are often the major contributor to waste in a workplace. Therefore, it has become a common practice for all the employees of the Group to set aside papers that have been used on only one side, to be used for printing drafts on the other side.



SUSTAINABILITY STATEMENT

SOCIAL

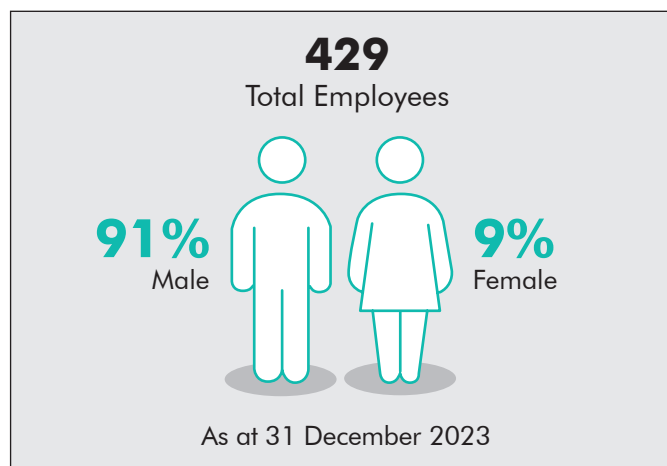
WORKFORCE DIVERSITY

Promote workforce equality and diversity to foster sustainable talent management

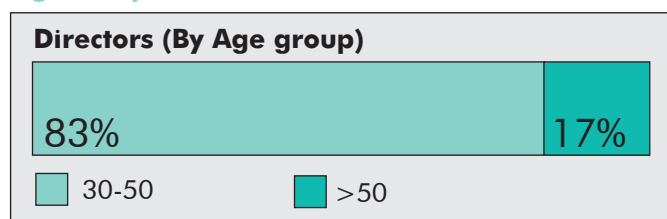
In TPC, we recognise our people as the driving force behind our success. A diverse and inclusive workforce creates a working environment built on respect, tolerance and harmony by integrating different values across different races, religion, age group and ethnicity.

Nevertheless, our talent management including recruitment process, remuneration packages, training opportunities and career advancement shall also take into consideration the skills and experiences of our people on objective merits

As at 31 December 2023, we have a total of 429 employees with diverse backgrounds, illustrated as below:

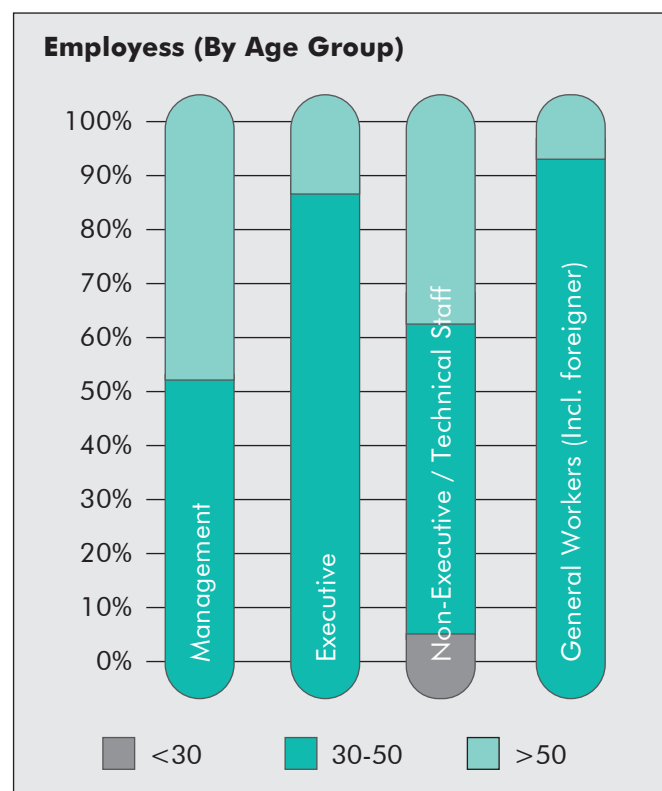


Age Composition



As at FY2023, Board may be inclined towards directors within the 30-50 years old age group for diverse viewpoints. Experienced directors' extensive careers endow them with the invaluable advantage of navigating numerous business cycles. Leveraging their wealth of experience, we believe they can offer unique perspectives and expert insights, empowering management to tackle challenges with greater efficacy.

TPC is trying to improve the composition of youth within workforce to ensure sustainable pipeline of the Group is maintained.



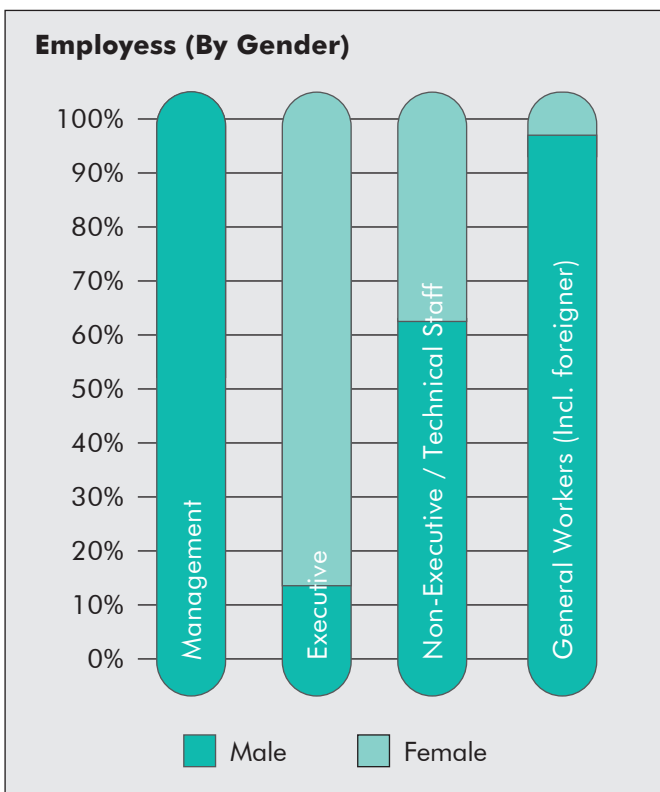
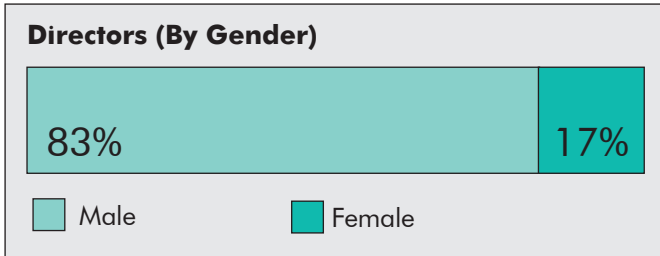
At TPC, a majority of our workforce are within the 30-50 years old age group. We believe that balancing young talent and seasoned employees creates a conducive workforce that integrates industry experience and new perspectives that enhances the Group's adaptability in the ever-changing markets.

Poultry industry is widely considered to be more male-dominated. Gender diversity is prominent throughout across the Group as we strive to be a more all-encompassing workforce in the coming years.

SUSTAINABILITY STATEMENT

SOCIAL

Gender Composition



However, there is growing recognition of the importance of contributions of women in this industry and efforts to promote greater equality among the employees within the Group.

OCCUPATIONAL SAFETY AND HEALTH

Safety first: Striving for zero workplace injuries

TPC Group views occupational safety and health at the workplace as of utmost importance. We commit to provide a safe and conducive working environment and facilities for all our employees as well as stakeholders, including contractors, suppliers and visitors. Trainings and briefings will be provided to create awareness of the health and safety environment for both contractors and newly recruited employees.

The Group practices "Zero-Tolerance" against any discrimination or harassment based on gender, political opinion, marital status, age, disability, etc. All employees are guided to avoid any conduct in the workplace that creates, encourages or permits an offensive, intimidating or inappropriate working environment. The Group has established a complaint procedure for reporting harassment, discrimination or retaliation. We will treat all aspects of the procedure confidentially and disciplinary action will be taken toward employees who are found guilty of sexual assault.

Accident reporting and investigation procedures are set up to systematically identify event details and causal factors to determine corrective measures. An accident investigation's primary purpose is to prevent future occurrences, not to place blame. This will provide both employers and employees with the opportunity to identify hazards in their operations and to impose corrective actions to avoid future incidents from recurring as well as continuous enhancement. TPC Group regularly provides safety and health-related updates and briefings to the workers to ensure they have a high degree of safety and health awareness in the workforce.

To further strengthen our employees' knowledge and skills in handling of equipment during work time, we have provided several internal and external trainings to our employees in FYE 2023. Details are covered under Talent Management section.



SUSTAINABILITY STATEMENT

SOCIAL

TALENT MANAGEMENT

To provide sufficient training opportunities for all employees

At TPC, we believe sustainable growth begins with investing in our most valuable asset: our people. We are committed to providing our employees with training and development opportunities to enhance their skills, knowledge, and expertise, knowing that their growth directly benefits the entire group.

Areas	List of Training Programs Attended in FY2023
Quality Management and Internal Control	<ul style="list-style-type: none"> • Halal Training • HACCP Training • Anti-Bribery Corruption Training
Finance and Accounting	<ul style="list-style-type: none"> • Crowe Budget 2024 • Revised 2023 Budget: New Government, New Plans
Human Resources	<ul style="list-style-type: none"> • BOSS Training
Production & Operation	<ul style="list-style-type: none"> • Hazard Identification, Risk Assessment and Risk Control (HIRARC) • Safety & Health Training (PPE)

Total hours of training by employee categories:

Category	No. of hours
Management	35
Executive	63
Non-executive/ Technical Staff	63
General Workers	91
Total	252

Employees who have received anti-corruption training:

Category	No. of employees
Management	5
Executive	4
Non-executive/ Technical Staff	8
General Workers	4

During the year, there are zero (0) work-related facilities reported. 100% of the operations are assessed for corruption related risks and there is zero (0) confirmed incidents of corruption case reported.

Category	FY2023
Confirmed incidents of corruptions	0
Substantiated complaints concerning human right violation	0

In addition to ongoing training and development, we prioritise aligning our employees' goals with the Group's objectives. To facilitate this alignment, we have established Key Performance Indicators for employees. Through regular evaluations and the provision of training and development opportunities, we empower our employees to realise their full potential and make meaningful contributions to a sustainable future for all.

SUSTAINABILITY STATEMENT

SOCIAL

EMPLOYEES WELFARE & ENGAGEMENT

To protect our employees' right and interest at all

We believe that the foundation of a sustainable and thriving organisation lies in the dedication and productivity of our employees. As such, our commitment to sustainability encompasses the well-being of our workforce. At Signature Group, we prioritise the protection of our employees' rights through the adoption of our Employee Handbook. This comprehensive document outlines key rights and benefits, ensuring that our employees are supported and empowered within our organisation.

- Public holiday entitlements
- Annual leave
- Replacement leave
- Sick leave & hospitalisation leave
- Compassionate leave
- Maternity & paternity leave

Apart from the entitlements above, we take a step further where we share not only the good but the bad as well, together with our employees. For any celebration or special occasion such as Chinese New Year, Hari Raya, our employee's wedding and giving birth of new-borns, we celebrate with our employees by giving them "angpao" to share the joy and happiness. Meanwhile, in the event of difficult time such as hospitalisation, we also stay connected with them by visit them with fruit basket.

In FY2023, the Group organised its first Badminton Tournament to promote physical activity and community well-being.



This initiative aimed to encourage regular exercise, foster social connections, and demonstrate the company's commitment to supporting recreational activities within the community.



For FY2023, we are glad to inform that we have protected our employees' rights properly and adequately while complying to all the applicable labour laws and regulations. Hence, no relevant fines or penalties were imposed to the Group.

CUSTOMER PRIVACY

To protect all of our customers' information

As a responsible corporate entity, we view data privacy not just as a legal requirement, but as a moral imperative. We are dedicated to safeguarding our customers' data in a responsible and ethical manner. To demonstrate our commitment, we willingly enter into non-disclosure agreements with our customers, establishing a legal confidential relationship to protect their sensitive information.

Throughout FY2023, we are pleased to report that we did not receive any customer complaints nor did we observe any incidents of data leakage. Looking ahead, we remain committed to maintaining in order to further instill trust among our customers and the general public.



SUSTAINABILITY STATEMENT

SOCIAL

COMMUNITY OUTREACH

To enrich the local communities



TPC acknowledges the social influences of its operations and activities to local communities.

Over the years, TPC has practised a culture of giving back to unprivileged sections of society. The Group believes that contribution towards local communities is crucial to the sustainable success of a business. During the year, the Group has supported the community by providing financial assistance for the projects undertaken by local schools and religious associations. Besides cash contributions, we also sponsored food, eggs, and daily essentials to the needy and underprivileged minorities. With each passing year, we strive to undertake more activities that reflect our long-term commitment to the well-being of wider community.



SUSTAINABILITY STATEMENT

GOVERNANCE

CORPORATE GOVERNANCE

To uphold the ethical business practices and comply with all applicable laws and regulations

Strong corporate governance serves as the foundation for achieving our sustainability goals. We are dedicated to maintaining the highest standards of corporate governance, emphasising accountability, transparency, integrity, and ethical conduct. By upholding these principles, we aim to safeguard the investments of our shareholders, protect the interests of all stakeholders, and preserve the assets of the Group.



TARGET 16.5

SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY

In pursuit of this objective, the Board has ratified the Employee Code of Conduct and Ethics ("Code"), delineating ethical standards and behaviors to nurture a culture of honesty and accountability within the Group. Upholding the Code, all directors, management, and employees are expected to execute their responsibilities with utmost integrity and professionalism. Additionally, these documents offer guidance for addressing compliance and ethical concerns.

Aligning with **SDG Target 16.5**, the Group has introduced an Anti-Corruption Policy ("AC Policy") to indicate our Zero-Tolerance against all forms of bribery and corruption. To support an effective implementation of the AC Policy, the Board has also put in place the Whistleblowing Policy ("WB Policy") to provide an avenue and structured mechanism for all employees and stakeholders to raise concern or make genuine report on any suspected or known wrongful activities.

On a separate matter, the Board adopted a Directors' Fit and Proper Policy on May 30, 2022. This policy outlines the criteria for appointing and re-electing directors within

the Group, ensuring their suitability for their roles. All the aforementioned policies are available on our Company's website at <http://www.tpc.com.my/corporate-governance>

We are pleased to report that no whistleblowing reports were received in FY 2023. Furthermore, there were no instances of employee discipline or dismissal, nor were there any public cases brought against the Group or its employees for non-compliance with applicable laws and regulations.

Category	FY2023
Whistle blowing cases	0

In accordance with the Anti-Bribery and Corruption Policy ("ABC Policy") and Code, TPC Group adopts a Zero-Tolerance approach towards bribery and corrupt practices in all its operations. ABC Policy is applicable to all the Group's business dealings and transactions in which we operate.

The forms of bribery and corruption covered in the ABC Policy include gifts and hospitality, facilitation payments to an officer of public body, third parties and agencies, political contribution as well as charitable contribution. For detailed requirements and guidance on ABC Policy, please refer to the ABC Policy which is available on TPC's corporate website. The ABC Policy is also regularly communicated with the internal and external stakeholders through various methods, including the company website, the company's internal communication and others.

In FY2023, communication in relation to bribery and corruption is conducted for all employees in all operations to increase employee awareness.

Category	FY2023
Operations assessed for corruption related risks	100%

Corruption risks assessment and management is incorporated in TPC Group's annual risk management process and all of our operations have been assessed for corruption-related risks to avoid and minimise the risks or acts associated with corruption and bribery.

BUILDING A SUSTAINABLE FUTURE

The Board will continue to oversee and monitor the sustainability performance of the Group on an ongoing basis and further improve and enhance its existing practices and initiatives, to enable the sustainable creation and preservation of long-term value to the Group's stakeholders.

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process.

This Sustainability Statement was approved by the Board on 17 April 2024.

PERFORMANCE DATA TABLE

FROM ESG REPORTING PLATFORM

TPC Plus Berhad as a Listed Issuer, is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3rd Edition. The following performance data table, downloaded from the ESG Reporting Platform, summarises indicators that are pertinent against our Material Matters. For 2023, our 14 Material Matters are:

ECONOMIC



Sustainable
Business Growth



Technology
Innovation



Supply Chain
Management



Quality Assurance



Customer
Satisfaction

ENVIRONMENT



Environmental
Stewardship



Emission & Waste
Management

SOCIAL



Workforce Diversity



Talent
Management



Customer Privacy



Occupational
Safety & Health



Employee Welfare
& Engagement



Community
Outreach

GOVERNANCE



Corporate
Governance

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

We have matched all mandatory indicators to the relevant Material Matters. Some of our Material Matters do not have quantitative data and have been covered in the Sustainability Statement. The figures below have not been subjected to an assurance process.

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	57.14
Non-executive/Technical Staff	Percentage	17.78
General Workers	Percentage	1.08
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	6,700.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	8
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	0.70
Management Above 50	Percentage	0.47
Executive Under 30	Percentage	0.00
Executive Between 30-50	Percentage	1.40
Executive Above 50	Percentage	0.23
Non-executive/Technical Staff Under 30	Percentage	1.40
Non-executive/Technical Staff Between 30-50	Percentage	5.13
Non-executive/Technical Staff Above 50	Percentage	3.96
General Workers Under 30	Percentage	0.23
General Workers Between 30-50	Percentage	82.28
General Workers Above 50	Percentage	4.20
Gender Group by Employee Category		
Management Male	Percentage	0.93
Management Female	Percentage	0.00
Executive Male	Percentage	0.47
Executive Female	Percentage	1.40
Non-executive/Technical Staff Male	Percentage	6.53
Non-executive/Technical Staff Female	Percentage	3.96



PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2023
General Workers Male	Percentage	82.98
General Workers Female	Percentage	3.73
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.33
Female	Percentage	16.67
Under 30	Percentage	0.00
Between 30-50	Percentage	83.33
Above 50	Percentage	16.67
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	9,041.97
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.27
Bursa C5(c) Number of employees trained on health and safety standards	Number	2
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	35
Executive	Hours	63
Non-executive/Technical Staff	Hours	63
General Workers	Hours	91
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	0
Non-executive/Technical Staff	Number	3
General Workers	Number	7
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	108.671000

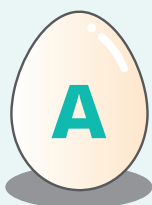
CORPORATE GOVERNANCE

OVERVIEW STATEMENT



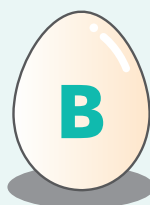
The Board of Directors ("**Board**") of TPC Plus Berhad ("**TPC**" or "**Company**") is pleased to present below an overview of how TPC Group has applied the following 3 principles set out in the Malaysian Code on Corporate Governance ("**Code**") during the financial year ended 31 December 2023 ("**FYE 2023**"):

Principle



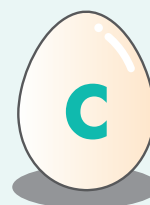
Board leadership and effectiveness

Principle



Effective audit and risk management

Principle



Integrity in corporate reporting and meaningful relationship with stakeholders

This Corporate Governance Overview Statement is complemented by a Corporate Governance Report prepared according to the format prescribed by Bursa Malaysia Securities Berhad ("**Bursa**"). The Corporate Governance Report can be found on the Company's and Bursa's website at www.tpc.com.my and www.bursamalaysia.com respectively.

Principle



BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board of Directors is responsible for the overall corporate governance of the Company and is always mindful of its responsibilities towards the Company's shareholders and other stakeholders.

In discharging its fiduciary duties and responsibilities, the Board is guided by the prevailing legal and regulatory requirements such as the Companies Act 2016, the Main Market Listing Requirements ("**MMLR**") of Bursa, the Code as well as the Company's Constitution and Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the effective discharge of the Board's duties and responsibilities, the Board had established Board committees namely, the Audit Committee, the Nomination and Remuneration Committee ("**NRC**") and the Risk Management Committee all of which are operated under defined terms of reference approved by the Board. The Board's and the Board committee's charter can be found at the Company's website, www.tpc.com.my. These charters are reviewed periodically and amended when necessary to ensure that they remain relevant and adequate.

The chairman of each committee will report to the Board of Directors the key issues deliberated at their respective committee meetings. Proposals of the committee will be tabled at Board meeting for consideration and approval as the Board is the ultimate decision-making body of the Company with the exception of matters requiring shareholders' approval.

The positions of the Company's Chairman and the Managing Director are held by 2 different individuals whose responsibilities are segregated and clearly defined in the Board Charter to ensure that there is an appropriate balance of power and authority with neither of them having unfettered power of decision making.

During the year, YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop had relinquished his position as Chairman of the Board with effect from 1 June 2023 and Datuk Lim Yew Piau was re-designated as Chairman of the Board effective from the same day. Datuk Lim Yew Piau is not a member of the NRC, Audit Committee nor Risk Management Committee to ensure that there is check and balance and does not give rise to self-review when deliberating the recommendations and proposals put forth by the chairman of the committee to the Board for approvals.

During FYE 2023, Mr Liang Ah Lit @ Nyah Chung Mun and Mr Lim Yew Chua (who was also the Company's Managing Director) had resigned as Directors with effect from 1 June 2023. And also with effect from 1 June 2023, Ms Lim Chian Harn was appointed a Director and Mr Lim Yew Kwang re-designated as the new Managing Director.

The principal duties of the Chairman are to conduct the meetings of the Board and shareholders and to facilitate constructive discussions at these meetings. The Managing Director on the other hand is responsible for the day-to-day running of the businesses of the Group and the implementation of strategies and policies approved by the Board.

The Board is supported by a Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators and qualified to act under Section 235 of the Companies Act 2016. The Company Secretary is also the secretary of all the Board committees.

All Board members have access to the advice and services of the Company Secretary and Senior Management. The Directors, whether as a full board or in their individual capacity, may seek independent professional advice in the discharge of their duties and responsibilities at the Company's expense.

Board meetings for each financial year are scheduled at the 4th quarter of the preceding financial year to give the Directors sufficient time to plan their schedules and be able to attend the meetings. None of the Directors hold more than 5 directorships in public listed companies and all of them are able to devote their time to serve the Board effectively.

5 Board meetings were held during the FYE 2023 and all the Directors attended every meeting held during their tenure except Mr Lim Yew Chua who attended 2 out of 3 meetings held during his tenure. Members of the Senior Management were invited to attend Board and Board committee meetings to brief and provide additional information to the Board and to the committees on questions or issues raised by the Directors. Where decisions were made by the Board via Directors' Circular Resolutions in between Board meetings, the Circular Resolutions approved by the Board will be tabled for notation at subsequent Board Meeting.

The Board and the Management are responsible for instilling good corporate governance and upholding the code of ethics set out in the Group's policies. The code of conduct of the Board is set out in the Board Charter. The Group's Employee Code of Conduct and Ethics, Anti-Corruption Policy and Whistle Blowing Policy are made available at the Company's website.

The Board together with the Management acknowledge their responsibilities in promoting sustainability in areas covering environment, social and governance. Further information on the Company's approach towards sustainability is provided in the Sustainability Statement of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2. Board Composition

With the following changes, the Board of Directors now comprises 3 Executive Directors and 3 Independent Non-Executive Directors i.e. with at least half of the Board comprises Independent Directors as set out in the Code:

Prior to 1 June 2023	1 June 2023 onwards
<u>Executive Directors</u> Mr Lim Yew Chua (Managing Director) Mr Lim Yew Kwang Datuk Lim Yew Piau	<u>Executive Directors</u> Datuk Lim Yew Piau (Chairman) Mr Lim Yew Kwang (Managing Director) Ms Lim Chian Harn
<u>Independent Non-Executive Directors</u> YBhg Tan Sri Datuk Seri (Dr) Abu Seman bin Haji Yusop (Chairman) Mr Liang Ah Lit @ Nyah Chung Mun Mr Chong Chee Siong Mr Chong Peng Khang	<u>Independent Non-Executive Directors</u> YBhg Tan Sri Datuk Seri (Dr) Abu Seman bin Haji Yusop Mr Chong Chee Siong Mr Chong Peng Khang

Gender Diversity

The Board recognises the benefits of having a diverse Board and workforce and therefore had adopted a Diversity Policy for the Group where diversity refers to age, gender, ethnicity, nationality, cultural background, religious belief and social-economic status. Diversity also encompasses the way people differ in terms of education, life and work experience, personality, location and marital status.

As part of the Diversity Policy adopted, the NRC will endeavour that gender diversity will be considered in the recruitment and succession planning of the Board and Senior Management.

The Group had always maintained its policy of having a working environment where there is respect for people regardless of their gender and where it is free from gender harassment and discrimination in order to attract and retain women participation on the Board and the management of the Group.

It is also a policy of the Group that there shall be no preference given to male applicants for a position and will ensure that any women with the appropriate experience and qualifications are considered equally in the recruitment and selection process.

Activities of the NRC

The NRC had discussed at its meetings held in February 2023 and May 2023 on the proposed appointment of a female Director, Ms Lim Chian Harn, with effect from 1 June 2023. The Board agreed with the NRC's proposal and with Ms Lim Chian Harn's appointment, the Board now comprises 16.67% female Director and complies

with Paragraph 15.02 of the MMLR of Bursa to have at least one woman director on the Board. Moving forward, the NRC will continue to consider gender diversity as part of the criteria for the selection of a new Director whenever there is a vacancy in order to achieve the 30% women representation on the Board as encouraged by the Code.

The Board also agreed with the NRC that it is sufficient to consider the recommendation from the Management to appoint Ms Lim Chian Harn as Director and not to seek other candidates from independent sources because of the following:

- Ms Lim Chian Harn has been with the Company for about 10 years and has vast knowledge about the Group's finance and operations;
- Ms Lim Chian Harn has been groomed to hold the position of an Executive Director as part of the Company's succession plan; and
- There is no conflict of interest for Ms Lim Chian Harn to always act in the best interests of the Company and Group other than her being a niece of Mr Lim Yew Kwang and Datuk Lim Yew Piau who are Executive Directors of the Company and also being a daughter of Mr Lim Yeow Her, a substantial shareholder of the Company.

The NRC had during the year reviewed and proposed to the Board on the amendments to the Nomination and Remuneration Committee Charter; the Group's Policy and Procedure on the Nomination and Appointment of Director and Senior Management and the Re-appointment of Director; and the Group's Remuneration Policies and Procedures for Directors and Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Besides evaluating the Audit Committee, the Board of Directors and their members during the year, the NRC had also reviewed the Board skills matrix and the independence of Independent Directors. The NRC was satisfied with the level of commitment and devotion given by each Director towards discharging his roles and responsibilities effectively.

Having assessed the Directors, the NRC had proposed to the Board and the Board had agreed to endorse the re-election of Mr Chong Chee Siong and Mr Chong Peng Khang, the 2 Independent Directors who are retiring by rotation at the 21st Annual General Meeting ("**AGM**") to be held on 30 May 2024 because they are found to be free from management and do not have any personal, family or economic interests in TPC Group. Mr Chong Chee Siong and Mr Chong Peng Khang are also able to continue exercising independent judgement and will not be affected by any influences that could jeopardise their objectivity. And also, none of them have served on the Board for 9 years or more.

Ms Lim Chian Harn who was appointed as Director with effect from 1 June 2023 will only hold office until the 21st AGM in accordance with the Company's constitution and by then she will be eligible for re-election. From the results of the assessment carried out by the NRC, the Board is satisfied with the performance of Ms Lim Chian Harn in the discharge of her duties and responsibilities as an Executive Director of the Company. The Board had accordingly endorsed the recommendation from the NRC for the re-election of Ms Lim Chian Harn at the 21st AGM.

Through self-assessment, each Directors was able to identify their own training needs. The training programmes attended by the Directors during the FYE 2023 are as follows:

Directors	Training
Datuk Lim Yew Piau	<ul style="list-style-type: none"> • Updates on MMLR - Enhanced Sustainability Disclosures • Budget 2024 – Unleash the T I G E R
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop	<ul style="list-style-type: none"> • Updates on MMLR - Enhanced Sustainability Disclosures • How to Navigate Financial Reporting Oversight Amidst Potential Landmines of Misreporting?
Lim Yew Kwang	<ul style="list-style-type: none"> • Updates on MMLR - Enhanced Sustainability Disclosures • Budget 2024 – Unleash the T I G E R
Chong Chee Siong	<ul style="list-style-type: none"> • Updates on MMLR - Enhanced Sustainability Disclosures • Conflict of Interest and Governance of Conflict of Interest
Chong Peng Khang	<ul style="list-style-type: none"> • Updates on MMLR - Enhanced Sustainability Disclosures • New Employment Act (Amendments 2022) • Get Ready for ISSB Sustainability Disclosure • Privilege Insights of the Special Voluntary Disclosure Program 2.0 • APM Group Tax Briefing 2023 • Top 11 Landmines That Make Tax Authorities Target Your Business • Unveiling the New Transfer Pricing Rules for 2023 • Financial & Debt Management Initiatives for SMEs & Individuals • National Tax Conference 2023 • E-Invoicing: The Digital Way Forward • Conflict of Interest and Governance of Conflict of Interest • Seminar Percukaian Kebangsaan 2023 (Bajet 2024) • 2024 Budget Seminar • 2023 Investor Day • MFRS Updates 2023
Lim Chian Harn	<ul style="list-style-type: none"> • Updates on MMLR - Enhanced Sustainability Disclosures • Mandatory Accreditation Programme • Budget 2024 – Unleash the T I G E R

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Remuneration

The NRC had proposed to the Board of Directors on the Directors' fees to be paid for the financial year ended 31 December 2023. The Directors' fees agreed by the Board is subject to shareholders' approval at the Company's forthcoming 21st AGM.

The Executive Directors were remunerated based on their experience, responsibilities and contributions in order to motivate and retain them in achieving the Company's plans, strategies and goals. Non-Executive Directors were paid an annual Directors' fees and attendance allowance for attending Board and Board Committee meetings.

None of the Directors were remunerated based on the Company's or Group's turnover. The breakdown of the remuneration of the Directors of the Company for the FYE 2023 are as follows:

	TPC Plus Berhad (RM'000)							
	Fees*	Salary	Bonus	EPF	SOCSSO	EIS	Allowance ^	Total
Executive Directors								
Datuk Lim Yew Piau	45.60	-	-	-	-	-	-	45.60
Lim Yew Kwang	45.60	-	-	-	-	-	-	45.60
Lim Chian Harn (Appointed wef 1.6.2023)	26.60	-	-	-	-	-	-	26.60
Lim Yew Chua (Resigned wef 1.6.2023)	19.00	-	-	-	-	-	-	19.00
Non-Executive Directors								
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop	48.00	-	-	-	-	-	2.40	50.40
Chong Chee Siong	48.00	-	-	-	-	-	2.40	50.40
Chong Peng Khang	48.00	-	-	-	-	-	2.40	50.40
Liang Ah Lit @ Nyah Chung Mun (Resigned wef 1.6.2023)	20.00	-	-	-	-	-	1.20	21.20

	Subsidiary of TPC Plus Berhad (RM'000)							
	Fees*	Salary	Bonus	EPF	SOCSSO	EIS	Allowance ^	Total
Executive Directors								
Datuk Lim Yew Piau	-	120	60	21.80	1.04	0.12	-	202.96
Lim Yew Kwang	-	120	60	21.80	1.04	0.12	-	202.96
Lim Chian Harn (Appointed wef 1.6.2023)	-	45.25	51.19	15.96	0.61	0.07	-	113.08
Lim Yew Chua (Resigned wef 1.6.2023)	-	50	25	13.20	0.43	0.05	-	88.68
Non-Executive Directors								
YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop	-	-	-	-	-	-	-	-
Chong Chee Siong	-	-	-	-	-	-	-	-
Chong Peng Khang	-	-	-	-	-	-	-	-
Liang Ah Lit @ Nyah Chung Mun (Resigned wef 1.6.2023)	-	-	-	-	-	-	-	-

Note

* Directors' fees is subject to shareholders' approval at the 21st AGM.

^ The payment of allowance:

- for 1 January 2023 till 30 May 2023 was approved by the shareholders at the 19th AGM held on 30 May 2022; and
- for 1 June 2023 till 31 December 2023 was approved by the shareholders at the 20th AGM held on 30 May 2023.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle **B** EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

The Audit Committee comprises 3 Independent Non-Executive Directors and none of them are former partner of the Company's External Auditors and its affiliate firms. The Chairman of the Audit Committee is Mr Chong Peng Khang who is a Chartered Accountant of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants.

The Audit Committee had evaluated the External Auditors, Crowe Malaysia PLT ("**CM**"), during the year in respect of their calibre, performance, quality control processes, audit team, independence and objectivity, audit scope and planning, fees and also its communications with the Audit Committee.

In recommending to the Board for the re-appointment of CM as the Company's External Auditors for the financial year ending 31 December 2024, the Audit Committee had also considered CM's Transparency Report which covers, among others, the management and governance of CM, the quality control system and the independence policy put in place, the workload and trainings provided to CM's staff and also the external and internal review to monitor the quality of audit provided by CM.

Further details of the Audit Committee including a summary of activities carried out by the Audit Committee during the year is set out in the Audit Committee Report of this Annual Report.

2. Risk Management and Internal Control Framework

The Board recognises the importance of having an effective governance embedding risk management and internal control processes and also acknowledges its overall responsibility for maintaining a sound system of internal control covering not only financial controls but also relating to operational, compliance and risk management.

The Company's Risk Management Committee and Audit Committee will assist the Board in fulfilling its responsibilities in the risk governance and internal control functions respectively.

The Risk Management Committee had during the year reviewed the Risk Management Framework, updated the Group Key Risk Profile and put in place additional controls in respect of risks identified previously. The Management had during the year arranged for an in-house training on hazard identification, risk assessment and risk control (HIRARC) for the Group's employees.

The internal audit function of the Company is outsourced to an independent consulting company, Needsbridge Advisory Sdn Bhd, to assist the Board in assessing the adequacy and effectiveness of the Group's risk management and internal control system. The Internal Auditors are given full access to all the documents relating to the Group's governance, financial statements and operational assessments and they report directly to the Audit Committee.

Two internal audits were performed during the year i.e. one on sales and distribution management and credit control management and the other one on sustainability management system. These audits were carried out in accordance with the Internal Audit Plan which was formulated based on the Group's risk profile and which has been approved by the Board of Directors.

As in every year, the Internal Auditors will update the Audit Committee on the status of the Management's action plans drawn up based on the findings of their audits. All in all, the Board was satisfied that actions were taken by the Management to mitigate most of the risks identified and that the internal control system put in place during 2023 was sufficient to safeguard shareholders' investment and the Group's assets.

The Audit Committee had evaluated the Internal Auditors during the year and was satisfied that the Internal Auditors had been independent throughout their audit and had sufficient resources and experience in carrying out their duties and responsibilities in accordance with the Company's Internal Audit Charter and the guidance of the International Professional Practices Framework in all material aspects.

Further information on the Group's risk management and internal control is made available in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Engagement with Stakeholders

The Board had, all the while, acknowledged and practised timely, accurate and equal dissemination of material information to its shareholders, investors and the public at large and had formally adopted a Corporate Disclosure Policy for the Group.

Material information and updates, quarterly financial results, Circular to Shareholders and Annual Report are announced to Bursa and are accessible through Bursa's and the Company's website.

In conserving the environment and to improve sustainability, printed copies of the Company's Circular to Shareholders and Annual Report will only be made available upon request by the shareholders.

2. Conduct of General Meetings

The Company's AGM remains the principal forum for dialogue and interaction with shareholders. The Company's 20th AGM was held physically on 30 May 2023 as the Board is of the opinion that the arrangement is sufficient because the Company only had 1,561 shareholders as at 31 March 2023. The Company had taken the following actions to ensure that shareholders were able to participate, engage the Board and Management and make informed voting decisions at the 20th AGM:

- i. The Notice of the 20th AGM was sent out to the shareholders on 28 April 2023 thereby giving the shareholders at least 28 days' notice and sufficient time to consider the resolutions that will be tabled at the AGM and to make the necessary arrangements for attendance and voting.
- ii. The explanatory notes to the Notice of the AGM provided sufficient explanations to each of the resolutions proposed. This will help the shareholders to decide and exercise their voting rights accordingly.
- iii. An Administrative Guide for the 20th AGM was sent together with the Notice of the AGM informing the shareholders, among others, where the Company's Annual Report and Circular to Shareholders can be downloaded for their information.
- iv. Shareholders were encouraged to appoint the Chairman of the AGM as their proxy and indicate in the Proxy Form how they wish their votes to be cast. The Chairman of the AGM will then vote according to the wishes of the shareholders who had appointed him as their proxy. The completed Proxy Form may be lodged at the Company's Registered Office or sent to the Company electronically via email.
- v. Shareholders who have questions in relation to any item on the Agenda of the 20th AGM were able to send in their questions in advance to the Company's registered office or via e-mail. The questions received will be responded at the AGM.
- vi. During the 20th AGM, the shareholders present were given sufficient time to raise questions and seek further clarification if necessary. The Directors, Senior Management and External Auditors were present at the AGM to answer all the questions raised.
- vii. An independent scrutineer was appointed by the Board to validate the votes cast at the 20th AGM. Shareholders were able to access to Bursa's or the Company's website for the results of the poll on the same day.
- viii. A summary of the key matters discussed at the AGM was uploaded to the Company's website and the minutes of the 20th AGM proceedings was also posted on the Company's website within 30 business days after the AGM for shareholders' information.

The Board of Directors has reviewed and approved this Corporate Governance Overview Statement on 17 April 2024.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



INTRODUCTION

The Board of Directors ("the Board") is committed to maintain a sound system of risk management and internal control in TPC Plus Berhad ("the Company") and its subsidiary company ("the Group") and is pleased to present the following Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group during the financial year under review. This statement is prepared pursuant to paragraph 15.26(b) and Practice Note 9 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines") and Malaysian Code on Corporate Governance 2021. The scope of this Statement includes the Company and its subsidiaries.

BOARD RESPONSIBILITIES

The Board is ultimately responsible for maintaining a sound risk management practices, reviewing and overseeing the effectiveness and adequacy of the Group's risk management and internal controls system implemented by management so as to provide assurance on the achievement of the Group's mission, vision, core values, strategies and business objectives as well as to safeguard all its stakeholders' interests and protecting the Group's assets. The Board is to establish risk appetite of the Group based on the corporate objectives, strategies, external environment, business nature and corporate/product lifecycle.

The Board has delegated these aforementioned responsibilities to the Risk Management Committee ("RMC") whereby the RMC is assigned with the duty, through its charter and the Risk Management Framework ("RM Framework") approved by the Board, to act as governance oversight function on risk management and to provide assurance to the Board on the adequacy and effectiveness of risk management system of the Group. Through the Audit Committee ("AC") as governance oversight function for internal control system, the Board is kept informed of all significant financial and non-financial issues brought to the attention of the AC by the Management, the internal audit function and the external auditors. For identification, assessment and management of key business risks and opportunities of the Group, the Board delegates these duties to the Risk Management Working Group ("RMWG") which made up of Senior Management and Head of Departments.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

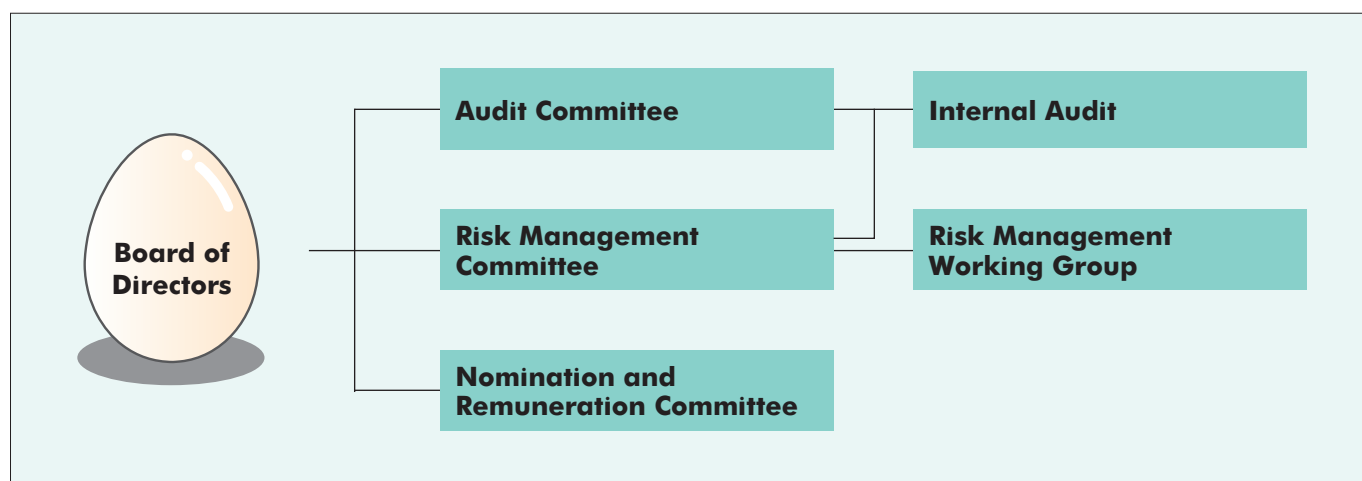
The Board confirms that these processes have been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

The internal control system covers inter-alia, control environment, risk assessment control activities, information and communication and monitoring activities. Due to the inherent limitations in any internal control system, such system put into effect by the Management by its nature is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business objectives. Accordingly, the internal control system can only provide reasonable and not absolute assurance against material misstatement, losses or fraud.

RISK MANAGEMENT

The Board recognises risk management as an integral part of system of internal control and good corporate governance in pursuit of its strategic objectives. The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review. The Board has established a RM Framework, as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group adequately and effectively as Second Line. The duties for the identification, evaluation and management of the key business risk are delegated to the RMWG.

The RM Framework established lays down the risk management's objectives and processes established by the Board with proper governance structure of the risk management activities of the Group established as follows:



Clear roles and responsibilities of the Board, the RMC and AC, Nomination and Remuneration Committee ("NRC"), RMWG and internal audit function are defined in the RM Framework. The RMC is chaired by Chairman of the Board and guided by formal terms of reference embodied in the Risk Management Committee Charter ("RMC Charter").

Systematic risk management process is stipulated in the RM Framework, whereby each step of the risk identification, risk assessment, control identification, risk treatment and control activities are laid down for application by the RMWG. Risk assessment, at gross and residual level, are guided by the likelihood rating and impact rating established by the Board that are stipulated in the RM Framework. Based on the risk management process, relevant key risks are identified based on the risk appetite of the Group to ensure the Group is managed within tolerable expectation.

At strategic level, any business plans, business strategies and investment proposals with risks consideration are formulated by the Management and will be presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite.

As First Line, respective heads of departments/divisions (i.e. risk owners) are responsible for managing the risks under their responsibilities. Risk owners are responsible to ensure that business processes under their responsibilities are operating effectively and efficiently by way of maintaining effective internal control system and executing appropriate risk and control procedures. Any changes in the key operational risks or emergence of new key business risks are identified through daily operational management. Respective risk owners are responsible to assess the changes to the



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

existing operational and emerging risks and to formulate and implement effective controls to manage the risks. Material risks are escalated to the RMC for final decision on the formulation and implementation of effective internal controls and its reporting to the Board.

The monitoring of the risk management by the Group is enhanced by the internal audits carried out by outsourced internal audit function with specific audit objectives and business risks identified for each internal audit cycle based on the internal plan approved by the AC.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

Significant risks faced by the Group along with mitigation plans implemented are discussed in the "Risk Factors Exposure and Mitigation Measures" section of the Management Discussion and Analysis.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control systems are described below:

- **Board of Directors/Board Committees**

The role, functions, composition, operation and processes of the Board are guided by formal Board Charter whereby roles and responsibilities of the Board, the Chairman, the Managing Director and the Management are specified to preserve the independence of the Board from the Management.

Board Committees (i.e. AC, NRC and RMC) are established to carry out duties and responsibilities delegated by the Board and are governed by written terms of reference and charter.

Meeting of Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective, as well as the Group's business strategies. Any significant matters will be highlighted to the board members during the meeting to ensure timely information are conveyed.

- **Organisation Structure, Accountability and Authorisation**

The Group has a well-defined organisation structure in place with clear lines of reporting and accountability. The Group is committed to employing suitable and qualified staff so that the appropriate level of authorities and responsibilities can be delegated while accountability of performance and

controls are assigned accordingly to competent staffs to ensure operational efficiency. Segregation of duties is practiced across the entities, check and balance mechanism exists to prevent manipulation, to the detriment of the Group's interests.

Authority limit is established within the Group to provide a clear functional framework of authority for critical control points. This includes financial authorisation matrix on capital expenditure and asset disposal and write-off.

- **Risk Identification, Risk Assessment, Risk Response and Control Activities**

Risk identification is the process in identifying internal and external influences that may potentially affect the strategies, objectives, activities, or operations of the entities. Risk assessment requires respective risk owners to analyse the identified risks in term of their probability and impact to form mitigation measures in accordance with their risk score. Internal controls, as risk responses, are designed and formulated in order to bring the identified risks down to an acceptable level in line with the risk appetite of the board and entities/Group's risk profile. Control activities include the policies and procedures that help ensure management directives are carried out effectively.

- **Human Resource, Whistleblowing and Anti-Corruption Policy**

Guidelines on human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequately competent employees who possess the necessary knowledge, skill and experience in carrying out their duties and responsibilities effectively and efficiently.

Whistleblowing Policy is in force to provide avenue for employees, shareholders and external parties to report any suspected breach or breach of any law or regulations in a safe and confidential manner. The aim of this policy is to provide an internal mechanism for reporting and investigating any wrongdoings in the workplace.

The Group adopted Anti-Corruption Policy to promote the culture of high standards of honesty and integrity within organization. All business dealings should be transparently performed and accurately reflected on records with monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws and best practices.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

• Information and Communication

Information critical to the achievement of the Group's business objectives are provided by the Senior Management to the Board on a periodic basis. This allows matters that require the Board's attention to be highlighted for review, deliberation and decision making on a timely basis.

At operational level, clear reporting lines are established across the Group and operations reports are prepared for dissemination to relevant personnel for effective communication of critical Information throughout the Group for timely decision making and execution in pursuit of the business objectives.

The Group puts in place effective and efficient information and communication infrastructures and channels (i.e. enterprise resources planning systems, secured intranet, electronic mail system and modern telecommunication) and processing system, so that operational data and external data can be collected and processed into relevant and adequate information and communicated timely, reliably and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders.

• Monitoring and Review

As Executive Directors are closely and directly involved in daily operations of the Group, regular reviews of operational data including production, marketing and financial are strictly scrutinised by the Executive Directors to identify non-compliances and for decision making. Apart from the above, quarterly financial performance review containing key financial results and comparison against previous corresponding financial results are presented to the Board for their review.

Furthermore, internal audits are carried out by outsourced internal audit function (which reports directly to the AC) on key risk areas identified based on the key risk profile of the Group. The internal audit function assesses the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes and highlights potential risks and implications of its observations that may impact the Group as well as recommend improvements on the observations made to minimise the risks. Modifications and update will be made as necessary to ensure the internal controls remain effective and relevant. The results of the internal audit carried out are reported to the AC.

• Farm Management and Biosecurity and Disease Control

Good farm management practices and biosecurity and disease controls to mitigate biosecurity and disease threats are incorporated into policies and procedures adopted by the farms, the production chain and distribution process. Periodical pest control programme will be conducted to assure the hygiene of both farm and poultry products. Feed and vaccination programmes are in place to ensure the performance of biological assets is optimal and overall farm productivity is enhanced.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is made up of outsourced internal audit function that is managed by a professional firm, NeedsBridge Advisory Sdn Bhd. The internal audit function assists the Board and the AC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's governance, risk and control structure and processes.

The audit engagement of the outsourced internal audit function is governed by the engagement letter with key terms include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. The audit engagement is also governed by the Group's Internal Audit Charter, which was established and approved by the Board during the financial year. The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review by the AC and for its reporting to the Board for ultimate approval. The scope of control review by the outsourced internal audit function is determined and approved by the AC with feedback from executive management.

The outsourced internal audit function reports to the AC directly and the engagement director is a Certified Internal Auditor ("CIA") and Certification in Risk Management Assurance ("CRMA") accredited by the Institute of Internal Auditors Global ("IIA") and a professional member of the Institute of Internal Auditors Malaysia ("IIAM"). The internal audits are carried out, in all material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the IIA. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) senior manager, one (1) assistant manager and assisted by at least one



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(1) senior consultant or consultant per one (1) engagement with oversight performed by the senior director.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee.

The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, AC and other specialized services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

The internal audit works are guided by risk-based internal audit plan drafted based on existing and emergent key business risks identified in the key risk profile of the Group, the Senior Management's opinion and previous internal audits performed, and subject to review and approval by the AC prior to its execution. Each internal audit cycles within the internal audit plan are specific with regard to audit objective, key risks to be assessed and scopes of the internal control review.

As Third Line, the internal control review procedures performed by the internal audit function are designed to understand, document and evaluate risks and related controls to determine the adequacy and effectiveness of governance, risk and control structures and processes and the recommendations formulated by the outsourced internal audit function are based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consisted of process evaluations through interview with relevant personnel involved in the process under review, review of the Standard Operating Procedures and/or process flows provided and observations of the functioning of processes in compliance with results of interviews and/or documented Standard Operating Procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on the sample sizes calculated in accordance with predetermined formulation, subject to the nature of testing and verification of the samples.

During financial year ended 31 December 2023, the outsourced internal audit function had conducted the internal controls reviews to assess the Sales and Marketing and Credit Control Management of Teck Ping Chan Agriculture Sdn Bhd as well as Sustainability Management for TPC Plus Berhad Group, which are in accordance with the internal audit plans approved by Audit Committee.

Upon the completion of internal audit field works, the internal audit reports were presented to the AC during its scheduled meetings. During the presentation, the internal audit findings, recommendations formulated based on the root cause(s) of the internal audit observations and the management response and action plans were presented and deliberated with the members of AC. Updates on the status of action plans as identified in the previous internal audit report were presented at subsequent AC meeting for review and deliberation.

In addition, during the AC meeting, the outsourced internal audit function reported its staff strength, qualification and experience as well as continuous professional education for the AC's review.

The cost incurred in maintaining the outsourced internal audit function for the financial year ended 31 December 2023 amounted to RM37,000.00.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Guidelines, the Management is responsible to the Board for:

- identifying risks relevant to the business of the Group's objectives and strategies;
- designing, implementing and monitoring the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identifying changes to risk or emerging risks, responding appropriately and promptly bringing these to the attention of the Board.

The Board has received assurance from the Group's Managing Director, being highest ranking executive in the Company and the person primarily responsible for the management of the financial affairs of the Company, that to the best of his knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ASSURANCE PROVIDED BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement as required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. Pursuant to the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report for the year ended 31 December 2023, it is reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report, in all material respects, has not been prepared in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and views by the Board of Directors and Management thereon. The External Auditors are not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

OPINION AND CONCLUSION

Based on the review of the risk management results and process, results of the internal audit activities, monitoring and review mechanism stipulated above, assurance provided by the Group Managing Director, the Board is of the opinion that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's governance, risk and control structures and processes in meeting the Group's strategic objectives.

The Board is committed towards maintaining an effective risk management and internal control systems throughout the Group and where necessary put in place appropriate plans to further enhance the Group's systems of internal control. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

This statement was approved by the Board of Directors on 17 April 2024.



AUDIT COMMITTEE REPORT



1. COMPOSITION OF THE AUDIT COMMITTEE

During the financial year ended 31 December 2023:

- YBhg. Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop was appointed as a member of the Audit Committee with effect from 1 June 2023; and
- Mr Liang Ah Lit @ Nyah Chung Mun had resigned as a Director and vacated office as a member of the Audit Committee with effect from 1 June 2023.

Despite the above changes, the Board of Directors had maintained that all the members of the Audit Committee comprises Independent Non-Executive Directors as follows:

Prior to 1 June 2023	1 June 2023 onwards
<p><u>Chairman</u></p> <p>Chong Peng Khang</p>	<p><u>Chairman</u></p> <p>Chong Peng Khang</p>
<p><u>Members</u></p> <p>Liang Ah Lit @ Nyah Chung Mun Chong Chee Siong</p>	<p><u>Members</u></p> <p>Tan Sri Datuk Seri (Dr.) Abu Seman bin Haji Yusop Chong Chee Siong</p>

2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee is available for reference at the Company's website, www.tpc.com.my

3. MEETINGS AND ATTENDANCE

The Audit Committee met 5 times during the financial year ended 31 December 2023 and all the Audit Committee members attended every meeting held during their tenure.

The Audit Committee also had a private session with the Internal Auditors and the External Auditors during the year to discuss the operations and management of the Group without the presence of the Management or Executive Directors.

AUDIT COMMITTEE REPORT

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

A summary of the main activities carried out by the Audit Committee during the financial year ended 31 December 2023 are as follows:

4.1 Financial reporting and external audit

- (a) Reviewed the Group's unaudited quarterly financial results and the audited financial statements for the year ended 31 December 2022 with the Management and External Auditors before recommending the same to the Board of Directors for approval and announcement to Bursa Malaysia Securities Berhad.
- (b) Discussed the External Auditors' report to the Audit Committee for the financial year ended 31 December 2022 which covers, among others, the key audit matter (valuation of biological assets) and other key audit findings such as revenue recognition, related party transactions, recoverability of debts and going concern assessment.
- (c) Discussed with the External Auditors the audit plan for the financial year ended 31 December 2023 including the key audit matter i.e. valuation of biological assets and other areas of audit emphasis such as revenue recognition, related party transactions, recoverability of trade receivables and related parties trade debts, addition of property, plant and equipment and going concern.
- (d) Ensured that the External Auditors had maintained its independence while carrying out its duties.
- (e) Assessed the External Auditors and considered the information in the External Auditors' Transparency Report covering the financial year ended 31 December 2022 before recommending to the Board on the re-appointment of the External Auditors at the 21st Annual General Meeting.

- (f) Reviewed the audit and non-audit fees before recommending the same to the Board for approval.

4.2 Internal control and internal audit

- (a) Discussed matters raised in the Internal Audit Report on the adequacy and effectiveness of the internal control and risk management system on the following areas and assessed the findings and implementation plans raised in the report:
 - (i) Sales and distribution management.
 - (ii) Credit control management.
 - (iii) Sustainability management system.
- (b) Reviewed and discussed with the Management and Internal Auditors the status and progress of the Management's action plan in managing potential risks identified in previous internal audit findings.
- (c) Reviewed the Internal Audit Plan for the financial year ending 31 December 2024 on the audit of Teck Ping Chan Agriculture Sdn Bhd's human resources management and feed production and inventory management.
- (d) Reviewed the Statement on Risk Management and Internal Control before recommending it to the Board of Directors for approval and publish in the Company's Annual Report.
- (e) Evaluated the outsourced internal audit function and considered the competency, resources and the functions undertaken by the Internal Auditors before recommending to the Board of Directors for their re-appointment.



AUDIT COMMITTEE REPORT

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

4.3 Related party transactions

- (a) Reviewed and ensured that the Review and Disclosure Procedures for Related Party Transaction is adequate and appropriate.
- (b) Ensured that mandates have been received from shareholders for all recurrent related party transactions.
- (c) Ensured that all related party transactions are carried out in the ordinary course of business.
- (d) Reviewed the Circular to Shareholders in relation to the proposed renewal of the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

4.4 Other matters

- (a) Reviewed the Audit Committee Charter to include, among others, annual assessment on financial literacy before recommending the amended Audit Committee Charter to the Board of Directors for approval.
- (b) Reviewed the External Auditor Policy to formally put in writing some of the Company's practices before recommending it to the Board of Directors for approval.
- (c) Discussed with the Management on the Group's capital commitment and banking facilities.
- (d) Discuss and update the Approval Limit Matrix before tabling it to the Board for approval.
- (e) Discuss the Sustainability Framework before tabling it to the Board for approval.
- (f) Reviewed the Audit Committee Report before publishing it in the Company's 2022 Annual Report.

ADDITIONAL COMPLIANCE INFORMATION



1. Audit and non-audit fees

The audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2023 by the Company's Auditors, or a firm or a corporation affiliated to the Auditors are as follows:

	Audit Fees (RM)	Non-audit Fees (RM)*
Company	38,000	9,500
Subsidiaries	72,000	22,000
Total	110,000	31,500

* Non-audit fees consist of fees for reviewing Statement on Risk Management and Internal Control and tax fees

2. Recurrent related party transactions

The recurrent related party transactions conducted during the financial year ended 31 December 2023 which are all within the shareholders' mandate given to Teck Ping Chan Agriculture Sdn Bhd ("TPCA") are as follows:

Related party	Nature of relationship	Nature of transaction	Amount Transacted (RM)
Huat Lai Resources Berhad ("HLRB")	HLRB is a major shareholder of TPC holding 59.02% direct interest in TPC.	Sale of eggs [®] by TPCA to HLRB	10,433,306
		Sale of layer feed by TPCA to HLRB	82,959,918
		Purchase of eggs [®] , raw material and livestock by TPCA from HLRB	59,212,259
Huat Lai Feedmill Sdn Bhd ("HLFM")	HLFM is a wholly-owned subsidiary of HLRB	Sale of layer feed by TPCA to HLFM	102,693,709
		Purchase of grower feed and raw material by TPCA from HLFM	15,315,906



ADDITIONAL COMPLIANCE INFORMATION

2. Recurrent related party transactions (cont'd)

The recurrent related party transactions conducted during the financial year ended 31 December 2023 which are all within the shareholders' mandate given to Teck Ping Chan Agriculture Sdn Bhd ("TPCA") are as follows (cont'd):

Related party	Nature of relationship	Nature of transaction	Amount Transacted (RM)
HLRB Processing Sdn Bhd ("HLPR")	HLPR is a wholly-owned subsidiary of HLRB	Sales of spent layers by TPCA to HLPR	3,098,524
Linggi Agriculture Sdn Bhd ("LASB")	LASB is a wholly-owned subsidiary of HLRB	Sale of layer feed and eggs [@] by TPCA to LASB	91,645,702
		Purchase of eggs [@] by TPCA from LASB	-
Chuan Hong Poultry Farm Sdn Bhd ("CHPF")	CHPF is a wholly-owned subsidiary of HLRB	Sale of layer feed, eggs [@] and raw material by TPCA to CHPF	2,489,131
		Purchase of eggs [@] , feeds and raw materials by TPCA from CHPF	3,365,182
Jalin Indah Poultry Farm Sdn Bhd ("JIPF")	JIPF is a wholly-owned subsidiary of HLRB	Sale of layer feed and eggs [@] from TPCA to JIPF	508,372
Huat Lai Paper Products Sdn Bhd ("HLPP")	HLPP is a wholly-owned subsidiary of HLRB	Purchase of egg trays by TPCA from HLPP	5,139,406

[@] TPCA will purchase eggs from the related parties when TPCA does not have enough eggs of a particular size at that point of transaction and vice versa.

3. Material contracts involving directors' and major shareholders' interest

There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interests of Directors, chief executive who is not a director or major shareholders.

STATEMENT ON DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to prepare financial statements for each financial year which are made out in accordance with the applicable approved accounting standards so as to give a true and fair view of the financial position of the Group and of the Company as of the financial year end and of their financial performance and cash flows for the financial year ended on that date.

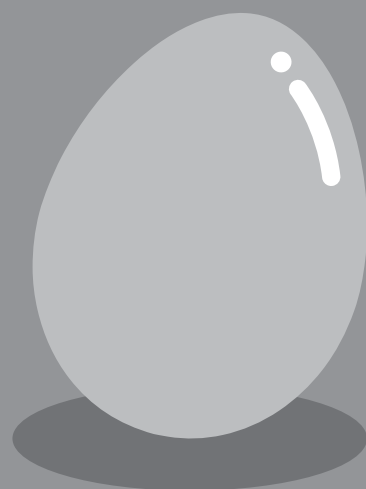
In preparing the audited financial statements of the Group and of the Company for the year ended 31 December 2023:

1. The Directors are satisfied that the Management had:
 - i. adopted appropriate accounting policies and consistently applied them;
 - ii. made judgments and estimates that are reasonable and prudent;
 - iii. followed all applicable accounting standards; and
 - iv. prepared the financial statements on a going concern basis.
2. The Directors have ensured that accounting records were properly kept, accurate and reliable to sufficiently explain all transactions and financial position of the Group and of the Company.
3. The Directors have taken steps that are reasonably available to them:
 - i. to safeguard the assets of the Group and the Company; and
 - ii. to detect and prevent fraud and other irregularities.

This statement has been reviewed and approved by the Board of Directors on 17 April 2024.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" of this report.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	43,414,035	15,219
Attributable to:		
Owners of the Company	43,414,035	15,219

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.



DIRECTORS' REPORT

DIRECTORS' REPORT

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

LIM YEOW KWANG *
 DATUK LIM YEOW PIAU *
 YBHG. TAN SRI DATUK SERI (DR.) ABU SEMAN BIN HAJI YUSOP
 CHONG CHEE SIONG
 CHONG PENG KHANG
 LIM CHIAN HARN (APPOINTED ON 1.6.2023)
 LIANG AH LIT @ NYAH CHUNG MUN (RESIGNED ON 1.6.2023)
 LIM YEOW CHUA (RESIGNED ON 1.6.2023)

* Directors of the Company and its subsidiaries.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year had no interest in shares and/or warrants of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from following transactions:-

	The Group RM	The Company RM
Immediate holding company		
Sales of goods	(93,393,224)	-
Purchase of goods	59,212,259	-
Subsidiary		
Management fee received/receivable	-	(360,000)
Fellow subsidiaries		
Sales of goods	(200,435,437)	-
Purchase of goods	23,947,664	-

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	300,800	300,800
Salaries, bonuses and allowances	543,313	8,400
Defined contribution benefits	72,760	-
	916,873	309,200

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.



DIRECTORS' REPORT

SUBSIDIARIES

(a) The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
<i>Subsidiaries of the Company</i>			
Teck Ping Chan Agriculture Sdn. Bhd.	Malaysia	100%	Poultry farming
Teck Ping Chan (1976) Sdn. Bhd.	Malaysia	100%	Dormant
Mestika Arif Sdn. Bhd. *	Malaysia	100%	Oil palm plantation

* Held by Teck Ping Chan Agriculture Sdn. Bhd., a subsidiary of the Company

(b) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

HOLDING COMPANIES

The immediate and ultimate holding companies are Huat Lai Resources Berhad and Esprit Unity Sdn. Bhd., respectively. Both the aforesaid holding companies are incorporated in Malaysia.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	110,000	38,000
Non-audit fees	5,000	5,000
	115,000	43,000

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 17 APRIL 2024

Lim Yew Kwang

Datuk Lim Yew Piau



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lim Yew Kwang and Datuk Lim Yew Piau, being the two directors of TPC Plus Berhad, state that, in our opinion, the financial statements set out on pages 77 to 127 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 17 APRIL 2024

Lim Yew Kwang

Datuk Lim Yew Piau

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lim Yew Kwang, being the director primarily responsible for the financial management of TPC Plus Berhad, do solemnly and sincerely declare that the financial statements set out on pages 77 to 127 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lim Yew Kwang, NRIC Number: 740726-04-5229
at Melaka
in the State of Melaka
on this 17 April 2024

Before me

Lim Yew Kwang

Shahrizah Binti Yahya (M084)

Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TPC PLUS BERHAD

(Incorporated in Malaysia) Registration No: 200301012910 (615330-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TPC Plus Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 77 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of biological assets Refer to Notes 5.7 and 9 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group's biological assets (comprise pullets and layers) have a carrying amount of approximately RM23.7 million.</p> <p>In determining the fair value of the biological assets, the Group uses the discounted cash flows model and significant judgement is involved in determining the key assumptions which will impact the amount of fair value of biological assets recognised.</p> <p>We focused on this component because of its significance to the balance sheet and the significant judgement involved in determining the key assumptions, namely the projected number of table eggs produced by each layer, the projected selling price of the table eggs, mortality rate, feed consumption rate and feed costs over the remaining life of the layers, as well as the discount rates.</p> <p>The accounting policy for biological assets has been disclosed in Note 5.7 to the financial statements.</p> <p>The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 9 to the financial statements.</p>	<p>We evaluated the appropriateness of the methodology and key assumptions used by management in valuing the biological assets.</p> <p>We checked the mathematical accuracy of the valuation model prepared by management.</p> <p>We corroborated the projected number of table eggs produced and feed consumption volume to the historical data.</p> <p>In respect of the projected selling prices and feed costs, we compared the projected prices against historical prices and checked the reasonableness of the adjustments made for abnormal market movements.</p> <p>We test checked the mortality rate assumption against historical actual mortality rate.</p> <p>We assessed the appropriateness of the range used to test the sensitivity analysis performed by management as disclosed in Note 9.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITORS' REPORT

Responsibilities of the Directors for the Financial Statements (Cont'd)

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



INDEPENDENT AUDITORS' REPORT

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Melaka

17 April 2024

Tan Lin Chun
02839/10/2025 J
Chartered Accountants



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
NOTE					
ASSETS					
<i>NON-CURRENT ASSETS</i>					
Investment in subsidiaries	6	—	-	73,214,316	73,214,316
Property, plant and equipment	7	118,390,585	104,711,546	—	-
		118,390,585	104,711,546	73,214,316	73,214,316
<i>CURRENT ASSETS</i>					
Biological assets	9	23,740,693	29,341,802	—	-
Inventories	10	13,213,771	15,509,797	—	-
Trade receivables	11	4,009,869	3,852,125	—	-
Other receivables, deposits and prepayments	12	1,702,885	1,428,901	—	3,260
Amount owing by related companies	13	93,710,482	53,778,389	370,770	371,445
Short-term investment	14	4,395,929	865,005	3,500,863	-
Current tax assets		—	30,067	—	-
Fixed deposits with licensed banks	15	5,565,000	5,965,000	—	-
Cash and bank balances		43,880,783	12,256,302	394,954	3,775,814
		190,219,412	123,027,388	4,266,587	4,150,519
TOTAL ASSETS		308,609,997	227,738,934	77,480,903	77,364,835
EQUITY AND LIABILITIES					
<i>EQUITY</i>					
Share capital	16	86,079,659	86,079,659	86,079,659	86,079,659
Revaluation reserve	17	11,793,613	11,793,613	—	-
Retained profits/(Accumulated losses)		15,730,986	(27,683,049)	(8,943,796)	(8,959,015)
Equity attributable to owners of the Company		113,604,258	70,190,223	77,135,863	77,120,644
<i>NON-CURRENT LIABILITIES</i>					
Deferred tax liabilities	18	12,617,793	6,297,863	—	-
Long-term borrowings	19	23,127,131	7,620,607	—	-
		35,744,924	13,918,470	—	-
<i>CURRENT LIABILITIES</i>					
Trade payables	22	94,739,477	89,930,466	—	-
Other payables and accruals	23	3,696,406	3,870,969	345,040	244,191
Amount owing to related companies	24	360,726	492,686	—	-
Amount owing to a director	25	—	5,000	—	-
Short-term borrowings	26	60,406,809	49,324,655	—	-
Current tax liabilities		57,397	6,465	—	-
		159,260,815	143,630,241	345,040	244,191
TOTAL LIABILITIES		195,005,739	157,548,711	345,040	244,191
TOTAL EQUITY AND LIABILITIES		308,609,997	227,738,934	77,480,903	77,364,835

The annexed notes form an integral part of these financial statements.



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	27	452,633,787	438,065,077	360,000	360,000
COST OF SALES		(443,396,838)	(434,211,896)	-	-
GROSS PROFIT		9,236,949	3,853,181	360,000	360,000
OTHER INCOME		50,105,491	11,216,150	100,862	-
		59,342,440	15,069,331	460,862	360,000
ADMINISTRATIVE EXPENSES		(4,421,604)	(3,200,566)	(445,643)	(362,502)
SELLING AND DISTRIBUTION EXPENSES		(1,463,281)	(1,477,076)	-	-
OTHER EXPENSES		(95,000)	(95,000)	-	-
FINANCE COSTS		(3,461,287)	(2,910,377)	-	-
PROFIT/(LOSS) BEFORE TAXATION	28	49,901,268	7,386,312	15,219	(2,502)
INCOME TAX EXPENSE	31	(6,487,233)	(68,208)	-	-
PROFIT/(LOSS) AFTER TAXATION		43,414,035	7,318,104	15,219	(2,502)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		43,414,035	7,318,104	15,219	(2,502)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		43,414,035	7,318,104	15,219	(2,502)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		43,414,035	7,318,104	15,219	(2,502)
Earnings per share (sen)	32				
- Basic		14.08	2.37		

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

THE GROUP	SHARE CAPITAL RM	NON – DISTRIBUTABLE	DISTRIBUTABLE	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM
		REVALUATION RESERVE RM	(ACCUMULATED LOSSES) / RETAINED PROFITS RM	
Balance at 1.1.2022	86,079,659	11,793,613	(35,001,153)	62,872,119
Profit after taxation	-	-	7,318,104	7,318,104
Balance at 31.12.2022/1.1.2023	86,079,659	11,793,613	(27,683,049)	70,190,223
Profit after taxation	-	-	43,414,035	43,414,035
Balance at 31.12.2023	86,079,659	11,793,613	15,730,986	113,604,258

	SHARE CAPITAL RM	ACCUMULATED LOSSES RM	TOTAL EQUITY RM
Balance at 1.1.2022	86,079,659	(8,956,513)	77,123,146
Loss after taxation/Total comprehensive expenses for the financial year	-	(2,502)	(2,502)
Balance at 31.12.2022/1.1.2023	86,079,659	(8,959,015)	77,120,644
Profit after taxation/Total comprehensive income for the financial year	-	15,219	15,219
Balance at 31.12.2023	86,079,659	(8,943,796)	77,135,863

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	49,901,268	7,386,312	15,219	(2,502)
Adjustments for:-				
Depreciation of property, plant and equipment	10,136,414	9,740,386	-	-
Gain on disposal of property, plant and equipment	(1,000)	-	-	-
Bad debts written off	-	394,907	-	-
Interest expenses	3,461,287	2,910,377	-	-
Interest income	(102,501)	(5,844)	-	-
Dividend income	(130,923)	(18,940)	(100,862)	-
Operating profit/(loss) before working capital changes	63,264,545	20,407,198	(85,643)	(2,502)
Decrease/(Increase) in inventories	2,296,026	(5,883,398)	-	-
Decrease/(Increase) in biological assets	5,601,109	(672,941)	-	-
(Increase)/Decrease in trade and other receivables	(431,728)	4,537,289	3,260	-
Increase in amount owing by related companies	(39,607,388)	(2,399,013)	-	-
Increase/(Decrease) in trade and other payables	4,634,448	7,274,233	100,849	(69,687)
(Decrease)/Increase in amount owing to related companies	(80,924)	355,296	-	-
CASH FROM/(FOR) OPERATIONS	35,676,088	23,598,664	18,466	(72,189)
Income tax paid	(112,298)	(83,972)	-	-
Income tax refunded	25,994	7,947	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	35,589,784	23,522,639	18,466	(72,189)

The annexed notes form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Increase in short-term investment		(3,530,924)	(18,940)	(3,500,863)	-
Interest income received		102,501	5,844	-	-
Dividend received		130,923	18,940	100,862	-
Fixed deposit pledged		2,400,000	(2,400,000)	-	-
Proceeds from disposal of property, plant and equipment		1,000	-	-	-
Purchase of property, plant and equipment (Advances to)/Repayment from related companies	33(a)	(23,272,553)	(282,654)	-	-
		(324,705)	8,051	675	3,640,700
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(24,493,758)	(2,668,759)	(3,399,326)	3,640,700
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Interest paid	33(b)	(3,461,287)	(2,910,377)	-	-
Repayment to related companies	33(b)	(51,036)	(142,006)	-	-
Repayment to a director	33(b)	(5,000)	5,000	-	-
Drawdown/(Repayment) of bankers' acceptances	33(b)	10,107,000	(3,181,000)	-	-
Drawdown of term loans	33(b)	27,650,000	-	-	-
Repayment of hire purchase payables	33(b)	(3,676,552)	(3,627,222)	-	-
Repayment of term loans	33(b)	(8,034,670)	(3,842,718)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		22,528,455	(13,698,323)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		33,624,481	7,155,557	(3,380,860)	3,568,511
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		15,256,302	8,100,745	3,775,814	207,303
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33(d)	48,880,783	15,256,302	394,954	3,775,814

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : PT 1678, Mukim of Serkam
77300 Merlimau
Melaka

Principal place of business : Lot 942, Simpang Ampat
78000 Alor Gajah
Melaka

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 April 2024.

2. HOLDING COMPANIES

The immediate and ultimate holding companies are Huat Lai Resources Berhad and Esprit Unity Sdn. Bhd., respectively. Both the aforesaid holding companies are incorporated in Malaysia.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

4. BASIS OF PREPARATION

The financial statements of the Group and the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 4.1 During the current financial year, the Group and the Company has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 5 to the financial statements in line with the amendments.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments) Effective Date

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

5. MATERIAL ACCOUNTING POLICIES INFORMATION

5.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(b) Property, Plant and Equipment under Revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of property, plant and equipment measured at revaluation as at the reporting date is disclosed in Note 7 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.1 Critical Accounting Estimates and Judgements (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(c) Impairment of Property, Plant and Equipment

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(e) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables. The carrying amounts of trade receivables and amount owing by related companies as at the reporting date are disclosed in Notes 11 and 13 to the financial statements respectively.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by related companies as at the reporting date are disclosed in Notes 12 and 13 to the financial statements respectively.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.1 Critical Accounting Estimates and Judgements (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(g) Biological Assets

The fair value of biological assets is determined using a discounted cash flow model which considers the projected quantity and price of the table eggs to be produced over the life of the layers, taking into account the layers' mortality rate.

In measuring the fair value of biological assets, management estimates and judgements are required which include the projected number of table eggs produced by each layer, the projected selling price of the table eggs, mortality rate, consumption rate, feed costs and other projected costs over the remaining life of the layers, as well as the discount rates. Changes to any of these assumptions would affect the fair value of the biological assets.

The key assumptions used in the discounted cash flow model and the sensitivity analysis are disclosed in Note 9 to the financial statements.

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Business Combinations

Acquisition of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

5.3 Financial Instruments

(a) *Financial Assets*

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.3 Financial Instruments (cont'd)

(b) *Financial Liabilities*

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised costs.

(c) *Equity*

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) *Financial Guarantee Contracts*

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

5.4 Investments in Subsidiaries

Investments in subsidiaries are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

5.5 Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

Freehold land and buildings are stated at revalued amounts based on periodic valuations, at least once in every 5 years, less subsequent depreciation for buildings. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.5 Property, Plant and Equipment (cont'd)

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	5 to 20 years
Plant and machinery	6.67% to 20%
Office equipment, furniture and fittings	10%
Road	10%
Motor vehicles	20%
Bearer plant	10 years

5.6 Investment Property

Investment property is initially measured at cost. Subsequent to the initial recognition, the investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives.

5.7 Biological Assets

Biological assets comprise pullets and layers are measured at fair value less cost to sell.

The fair value of pullets and layers is determined using a discounted cash flow model based on the projected number of table eggs produced by each layer, the projected selling price of the table eggs and salvage value of spent layer and after allowing for feed costs, contributory asset charges for the land and farm houses owned by the entity and other costs incurred in getting the pullets and layers to maturity.

Costs to sell include the incremental selling costs, including estimated costs of transport but excludes finance costs and income taxes.

Changes in fair value of livestock are recognised in the statement of profit or loss.

5.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.9 Impairment

(a) *Impairment of Financial Assets*

The Group recognises a loss allowance for expected credit losses on trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(b) *Impairment of Non-financial Assets*

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.10 Employee Benefits

(a) *Short-term Benefits*

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) *Defined Contribution Plans*

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5.11 Income Taxes

(a) *Current Tax*

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) *Deferred Tax*

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

5.12 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

5.13 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5.14 Revenue

The revenue represents sales of goods which was recognised at a point in time when the goods have been transferred and accepted by customers, net of discounts. The revenue is derived from local sales.

Sales of Poultry Farming Products and By-Products from Poultry Farming

Revenue from sales of poultry farming products and by-products from poultry farming are recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5.15 Other Operating Income

Government grants/subsidies

Government grants/subsidies related to income are recognised in profit or loss over the periods to match the related costs for which the grants/subsidies are intended to compensate.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2023 RM	2022 RM
Unquoted shares, at cost	87,479,899	87,479,899
Less: Accumulated impairment losses	(14,265,583)	(14,265,583)
	73,214,316	73,214,316
Unquoted shares, at cost		
At 1 January	87,479,899	77,479,899
Addition during the year	–	10,000,000
At 31 December	87,479,899	87,479,899

The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
Subsidiaries of the Company				
Teck Ping Chan Agriculture Sdn. Bhd.	Malaysia	100%	100%	Poultry farming
Teck Ping Chan (1976) Sdn. Bhd.	Malaysia	100%	100%	Dormant
Mestika Arif Sdn. Bhd. *	Malaysia	100%	100%	Oil palm plantation

* Held by Teck Ping Chan Agriculture Sdn. Bhd., a subsidiary of the Company.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.1.2023 RM	ADDITIONS (NOTE 33(a)) RM	DEPRECIATION CHARGES (NOTE 28) RM	AT 31.12.2023 RM
2023				
CARRYING AMOUNT				
Freehold land	35,075,000	5,204,550	-	40,279,550
Buildings	33,860,067	1,012,365	(4,117,357)	30,755,075
Plant and machinery	32,643,549	16,885,554	(4,568,871)	44,960,232
Office equipment, furniture and fittings	228,856	41,359	(82,212)	188,003
Road	133	-	(133)	-
Motor vehicles	2,891,576	671,625	(1,365,368)	2,197,833
Bearer plant	12,365	-	(2,473)	9,892
Total	104,711,546	23,815,453	(10,136,414)	118,390,585

THE GROUP	AT 1.1.2022 RM	ADDITIONS (NOTE 33(a)) RM	DEPRECIATION CHARGES (NOTE 28) RM	AT 31.12.2022 RM
2022				
CARRYING AMOUNT				
Freehold land	35,075,000	-	-	35,075,000
Buildings	37,720,013	-	(3,859,946)	33,860,067
Plant and machinery	33,667,054	3,270,000	(4,293,505)	32,643,549
Office equipment, furniture and fittings	455,180	-	(226,324)	228,856
Road	1,725	-	(1,592)	133
Motor vehicles	3,691,468	556,654	(1,356,546)	2,891,576
Bearer plant	14,838	-	(2,473)	12,365
Total	110,625,278	3,826,654	(9,740,386)	104,711,546

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

THE GROUP	AT COST RM	VALUATION RM	AT DEPRECIATION RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM
2023					
Freehold land	5,204,550	35,075,000		–	40,279,550
Buildings	1,012,365	38,685,000		(8,942,290)	30,755,075
Plant and machinery	105,888,848		–	(60,928,616)	44,960,232
Office equipment, furniture and fittings	12,592,464		–	(12,404,461)	188,003
Road	208,087		–	(208,087)	–
Motor vehicles	12,466,901		–	(10,269,068)	2,197,833
Bearer plant	24,730		–	(14,838)	9,892
Total	137,397,945	73,760,000		(92,767,360)	118,390,585

THE GROUP	AT COST RM	VALUATION RM	AT DEPRECIATION RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM
2022					
Freehold land	-	35,075,000		-	35,075,000
Buildings	-	38,685,000		(4,824,933)	33,860,067
Plant and machinery	89,003,294		-	(56,359,745)	32,643,549
Office equipment, furniture and fittings	12,551,105		-	(12,322,249)	228,856
Road	208,087		-	(207,954)	133
Motor vehicles	11,805,276		-	(8,913,700)	2,891,576
Bearer plant	24,730		-	(12,365)	12,365
Total	113,592,492	73,760,000		(82,640,946)	104,711,546

The carrying amount of property, plant and equipment pledged to licensed banks for banking facilities extended to the Group as disclosed in Note 26 to the financial statements is as follows:-

CARRYING AMOUNT	THE GROUP	
	2023 RM	2022 RM
Freehold land	36,104,550	30,900,000
Buildings	30,806,839	32,378,197
Plant and machinery	24,212,057	7,959,456
	91,123,446	71,237,653



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INVESTMENT PROPERTY

	THE GROUP	
	2023 RM	2022 RM
Cost:-		
At 1 January/31 December	1,200,000	1,200,000
Accumulated depreciation:-		
At 1 January/31 December	(1,200,000)	(1,200,000)
Carrying amount	-	-
Represented by:-		
Freehold commercial building	-	-
Fair value	1,200,000	1,200,000

- (a) The freehold commercial building has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.
- (b) The fair value of the investment property is within level 3 of the fair value hierarchy and is arrived at by management by reference to market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. BIOLOGICAL ASSETS

	THE GROUP	
	2023 RM	2022 RM
At fair value less cost to sell:-		
Pullets and layers	23,740,693	29,341,802

Biological assets comprise pullets and layers and the movement can be analysed as follows:

	THE GROUP	
	2023 RM	2022 RM
At 1 January	29,341,802	28,668,861
Increase due to purchases	30,335,638	33,295,775
Livestock losses	(3,418,422)	(3,674,705)
Change in fair value	(2,616,446)	(832,095)
Depopulation	(29,901,879)	(28,116,034)
At 31 December	23,740,693	29,341,802

In measuring the fair value of biological assets, management estimates and judgements are required, which include the projected number of table eggs produced by each layer, the projected selling prices of the table eggs, mortality rate, feed consumption rate, feed costs and other projected costs over the remaining life of the layers as well as the discount rates.

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. BIOLOGICAL ASSETS (CONT'D)

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Discounted cash flows: The valuation method considers the projected quantity and price of table eggs to be produced over the life of the layers, taking into account layers' mortality rate.	Significant assumptions made in determining the fair value of the table eggs as follows: <ul style="list-style-type: none"> the projected selling prices of the table eggs are based on management's estimate by reference to historical selling price adjusted for abnormal market movements. management's estimate of feed and other variable costs projected to incur throughout the laying period. 	The fair value is sensitive to projected selling prices and projected feed costs.

The key assumptions used for the fair value calculation are as follows:

	THE GROUP	
	2023	2022
Projected selling prices of the table eggs (RM)	0.360	0.382
Feed and other variable costs (per bird) (RM)	7.278	7.521
Discount rate	7.24%	6.45%

Sensitivity analysis

If the projected selling prices of the table eggs had been 1 sen lower than management estimates, the fair value of the biological assets would have decreased by RM2,950,000 (2022 – RM3,604,000).

If the projected feed costs had been 10 sen higher than management estimates, the fair value of the biological assets would have decreased by RM1,220,000 (2022 – RM2,048,000).

In respect of the other variables, a reasonable possible change in the assumptions used will not result in any material change to the fair valuation of biological assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. INVENTORIES

	THE GROUP	
	2023 RM	2022 RM
Eggs	191,001	332,010
Raw materials	10,757,018	12,426,835
Feeds	1,980,553	1,717,965
Medicine	285,199	1,032,987
	13,213,771	15,509,797
Recognised in profit or loss:-		
Inventories recognised as cost of sales	260,225,304	252,636,700

None of the inventories are stated at net realisable value.

11. TRADE RECEIVABLES

	THE GROUP	
	2023 RM	2022 RM
Trade receivables	4,311,593	4,153,849
Allowance for impairment losses	(301,724)	(301,724)
	4,009,869	3,852,125
Allowance for impairment losses:-		
At 1 January	301,724	2,983,699
Written-off	-	(2,681,975)
At 31 December	301,724	301,724

The Group's normal trade credit terms range from 7 to 90 days (2022 – 7 to 90 days).

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	-	7,238	-	-
Deposits	227,811	226,811	-	-
Prepayments	1,475,074	1,194,852	-	3,260
	1,702,885	1,428,901	-	3,260



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. AMOUNT OWING BY RELATED COMPANIES

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Immediate holding company				
Trade balances	25,749,052	15,168,723	-	-
Subsidiary				
Non-trade balances	-	-	370,770	371,445
Fellow subsidiaries				
Trade balances	68,463,516	39,436,457	-	-
Non-trade balances	373,304	48,599	-	-
	68,836,820	39,485,056	-	-
Allowance for impairment losses:				
- trade balances	(875,390)	(875,390)	-	-
	67,961,430	38,609,666	-	-
	93,710,482	53,778,389	370,770	371,445
Allowance for impairment losses:-				
At 1 January/31 December	875,390	875,390	-	-

- (a) The trade balance is subject to the normal trade credit term range from 30 to 120 (2022 – 30 to 120) days. The amount owing is to be settled in cash.
- (b) The non-trade balances represent unsecured payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

14. SHORT-TERM INVESTMENT

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Money market funds, at fair value	4,395,929	865,005	3,500,863	-

The funds invest mainly into debentures, deposits and money market instruments and thus have minimum exposure to changes in market value.

The money market funds of the Group and the Company are carried at fair value. The fair value hierarchy for money market funds are classified as Level 2.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits of the Group of RM565,000 (2022 – RM2,965,000) are pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.

The weighted average effective interest rates of fixed deposits with licensed banks at the end of the reporting period were as follows:-

	THE GROUP	
	2023 %	2022 %
Fixed deposits with licensed banks	3.24	2.72

The average maturities of fixed deposits with licensed banks of the Group at the end of the reporting period are 297 days (2022 – 243 days).

16. SHARE CAPITAL

	THE GROUP/THE COMPANY			
	2023 NUMBER OF SHARES	2022	2023 RM	2022 RM
ISSUED AND FULLY PAID – UP				
ORDINARY SHARES				
AT 1 JANUARY/31 DECEMBER	308,232,783	308,232,783	86,079,659	86,079,659

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

17. REVALUATION RESERVE

	THE GROUP	
	2023 RM	2022 RM
Surplus on revaluation of property, plant and equipment, net of tax		
At 1 January/31 December	11,793,613	11,793,613

The revaluation reserve represents the increase in the fair value of freehold land and buildings of the Group (net of deferred tax, where applicable) presented under property, plant and equipment.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. DEFERRED TAX LIABILITIES

THE GROUP	AT 1.1.2023 RM	RECOGNISED IN PROFIT OR LOSS (NOTE 31) RM	AT 31.12.2023 RM
2023			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	7,932,694	6,538,378	14,471,072
Biological assets	523,420	(523,420)	–
	8,456,114	6,014,958	14,471,072
<i>Deferred Tax Assets</i>			
Biological assets	–	(104,527)	(104,527)
Hire purchase payables	(1,875,743)	680,337	(1,195,406)
Impairment losses on trade receivables	(282,508)	–	(282,508)
Unabsorbed tax losses	–	(270,838)	(270,838)
	(2,158,251)	304,972	(1,853,279)
	6,297,863	6,319,930	12,617,793

THE GROUP	AT 1.1.2022 RM	RECOGNISED IN PROFIT OR LOSS (NOTE 31) RM	AT 31.12.2022 RM
2022			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	7,932,694	–	7,932,694
Biological assets	523,420	–	523,420
	8,456,114	–	8,456,114
<i>Deferred Tax Assets</i>			
Hire purchase payables	(1,875,743)	–	(1,875,743)
Impairment losses on trade receivables	(282,508)	–	(282,508)
	(2,158,251)	–	(2,158,251)
	6,297,863	–	6,297,863

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. LONG-TERM BORROWINGS

	THE GROUP	
	2023 RM	2022 RM
Hire purchase payables (Note 20)	1,431,013	3,997,387
Term loans (secured) (Note 21)	21,696,118	3,623,220
	23,127,131	7,620,607

20. HIRE PURCHASE PAYABLES

	THE GROUP	
	2023 RM	2022 RM
Current liabilities (Note 26)	3,562,759	4,130,037
Non-current liabilities (Note 19)	1,431,013	3,997,387
	4,993,772	8,127,424

21. TERM LOANS (SECURED)

	THE GROUP	
	2023 RM	2022 RM
Current liabilities (Note 26)	5,405,050	3,862,618
Non-current liabilities (Note 19)	21,696,118	3,623,220
	27,101,168	7,485,838

- (a) The term loans are repayable over 36 to 96 (2022 – 72 to 180) monthly instalments from the date of drawdown and are secured in the same manner as the bankers' acceptances as disclosed in Note 26 to the financial statements.
- (b) The interest rate profile of the term loans is summarised below:-

	Weighted Average Effective Interest Rate %	THE GROUP	
		2023 RM	2022 RM
Floating rate term loans	6.28	27,101,168	7,485,838

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2022 – 30 to 90) days.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables	1,051,735	1,759,721	1,240	19,791
Payroll liabilities	2,044,981	1,687,048	-	-
Accrued expenses	599,690	424,200	343,800	224,400
	3,696,406	3,870,969	345,040	244,191

24. AMOUNT OWING TO RELATED COMPANIES

	THE GROUP	
	2023 RM	2022 RM
Fellow subsidiaries		
Trade balances	254,372	335,296
Non-trade balances	106,354	157,390
	360,726	492,686

The non-trade balances represent unsecured payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

25. AMOUNTS OWING TO A DIRECTOR

The amount owing to a director represents unsecured interest-free, advances which is repayable on demand. The amount owing is to be settled in cash.

26. SHORT-TERM BORROWINGS

	THE GROUP	
	2023 RM	2022 RM
Bankers' acceptances (secured)	51,439,000	41,332,000
Term loans (secured) (Note 21)	5,405,050	3,862,618
Hire purchase payables (Note 20)	3,562,759	4,130,037
	60,406,809	49,324,655

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. SHORT-TERM BORROWINGS (CONT'D)

- (a) The weighted average effective interest rates at the end of the reporting period for borrowings were as follows:-

	THE GROUP	
	2023 %	2022 %
Bankers' acceptances (secured)	5.62	5.57
Hire purchase payables	5.79	5.88
Term loans (secured)	6.28	7.15

- (b) The bankers' acceptances are secured as follows:-

- (i) by a first party legal charge over certain freehold land and buildings of the Group as disclosed in Notes 7 and 8 to the financial statements;
- (ii) by lien over the Group's fixed deposits with licensed banks; and
- (iii) by corporate guarantee from immediate and penultimate holding companies.

27. REVENUE

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Sales of poultry farming products	451,999,563	437,207,659	-	-
Sales of by-products from poultry farming	241,037	307,289	-	-
Sales of fresh fruit bunch	393,187	550,129	-	-
Management fee	-	-	360,000	360,000
	452,633,787	438,065,077	360,000	360,000



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. PROFIT/(LOSS) BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees	110,000	100,000	38,000	37,000
- non-audit fees	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment (Note 7)	10,136,414	9,740,386	-	-
Direct operating expenses on investment property	4,312	7,822	-	-
Lease expenses:				
- short-term leases	820	820	-	-
Total interest expense on financial liabilities that are not at fair value through profit or loss	3,461,287	2,910,377	-	-
Gain on disposal of property, plant and equipment	(1,000)	-	-	-
Government grants/subsidies	(49,138,424)	(10,822,980)	-	-
Rental income from investment property	(40,800)	(40,800)	-	-
Dividend income:				
- short-term investment	(130,923)	(18,940)	(100,862)	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with a licensed bank	(102,501)	(5,844)	-	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Directors of the Company</i>				
Short-term employee benefits:				
- fees	300,800	319,200	300,800	182,400
- salaries, allowances and bonus	543,313	551,005	8,400	8,000
	766,423	870,205	309,200	190,400
Defined contribution benefits	72,760	64,800	-	-
	916,873	935,005	309,200	190,400
<i>Director of the Subsidiary</i>				
Short-term employee benefits:				
- salaries, allowances and bonus	90,579	-	-	-
Defined contribution benefits	7,200	-	-	-
	97,779	-	-	-
Total directors' remuneration	705,452	935,005	309,200	190,400

30. STAFF COSTS

	THE GROUP	
	2023 RM	2022 RM
Wages, salaries and bonus	14,944,513	11,967,230
Defined contribution benefits	499,067	460,620
Other employee benefits	386,887	308,527
	15,830,467	12,736,377

Staff costs included amounts of RM135,090 (2022 – RM185,379) in respect of remuneration paid to employees related to Directors of the Group.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense	167,040	68,000	-	-
Under provision in the previous financial year	263	208	-	-
	167,303	68,208	-	-
Deferred tax (Note 18):				
- Relating to origination and reversal of temporary differences	7,000,525	-	-	-
- Over provision in the previous financial year	(680,595)	-	-	-
	6,319,930	-	-	-
	6,487,233	68,208	-	-

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation	49,901,268	7,386,312	15,219	(2,502)
Tax at the statutory tax rate of 24% (2022 – 24%)	11,976,304	1,772,715	3,653	(600)
Tax effects of:-				
Non-deductible expenses	429,196	99,824	12,332	600
Non-taxable income	(6,339)	(4,546)	-	-
Under provision of current tax in the previous financial year	263	208	-	-
Over provision of deferred taxation in the previous financial year	(680,595)	-	-	-
Utilisation of tax incentives	(1,186,011)	-	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(4,068,385)	(1,822,793)	(15,985)	-
Deferred tax assets not recognised in current year	22,800	22,800	-	-
	6,487,233	68,208	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. INCOME TAX EXPENSE (CONT'D)

Subject to agreement with the tax authorities, at the end of reporting period, the unutilised capital allowances, unutilised agriculture allowances, unutilised industrial building allowances, unutilised reinvestment allowances and unabsorbed tax losses of the Group and of the Company are as follows:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised capital allowances	-	8,265,600	-	-
Unutilised agriculture allowances	-	729,600	-	-
Unutilised industrial building allowances	-	604,700	-	-
Unutilised reinvestment allowances	-	4,941,700	-	-
Unabsorbed tax losses:				
- expires years of assessment 2028	2,619,000	11,321,600	-	-
- expires years of assessment 2030	-	8,128,200	-	13,000
- expires years of assessment 2031	1,222,900	20,127,000	94,400	145,000
	3,841,900	39,576,800	94,400	158,000
	3,841,900	54,118,400	94,400	158,000

Based on the current legislation, the unabsorbed reinvestment allowances are allowed to be utilised for 7 consecutive years of assessment, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unutilised capital allowances, unutilised agriculture allowances and unutilised industrial building allowances are allowed to be carried forward indefinitely.

At the end of the reporting period, the amounts of deferred tax assets not recognised (state at gross) due to uncertainty of their realisation are as follows:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Unabsorbed tax losses	2,569,400	19,426,000	94,400	161,000



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. EARNINGS PER SHARE

The basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	THE GROUP	
	2023 RM	2022 RM
Profit after taxation (RM)	43,414,035	7,318,104
Weighted average number of ordinary shares in issue	308,232,783	308,232,783
Basic earnings per share (sen)	14.08	2.37

33. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	THE GROUP	
	2023 RM	2022 RM
Cash payments	23,272,553	282,654
Acquired through hire purchase arrangements (Note 33(b) below)	542,900	3,544,000
	23,815,453	3,826,654



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

THE GROUP	Term Loans (secured) RM	Hire Purchase Payables RM	Bankers' Acceptances (secured) RM	Bank Overdrafts (secured) RM	Amount Owing To Related Companies RM	Amount Owing To A Director RM	Total RM
2023							
At 1 January	7,485,838	8,127,424	41,332,000	-	157,390	5,000	57,107,652
<u>Changes in Financing Cash Flows</u>							
Net drawdown of borrowing	-	-	10,107,000	-	-	-	10,107,000
Proceeds from drawdown	27,650,000	-	-	-	-	-	27,650,000
Repayment of principal	(8,034,670)	(3,676,552)	-	*	-	-	(11,711,222)
Repayment of interests	(555,242)	(431,984)	(2,462,986)	(11,075)	-	-	(3,461,287)
Repayment to related companies	-	-	-	-	(51,036)	-	(51,036)
Repayment to a director	-	-	-	-	-	(5,000)	(5,000)
<u>Other Changes</u>							
Acquisition of new hire purchase arrangements for assets purchased in current financial year (Note (a) above)	-	542,900	-	-	-	-	542,900
Interest expenses recognised in profit or loss	555,242	431,984	2,462,986	11,075	-	-	3,461,287
At 31 December	27,101,168	4,993,772	51,439,000	-	106,354	-	83,640,294

* Bank overdrafts form part of the cash and cash equivalents, therefore, no movement is presented.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

THE GROUP	Term Loans (secured) RM	Hire Purchase Payables RM	Bankers' Acceptances (secured) RM	Bank Overdrafts (secured) RM	Amount Owing To Related Companies RM	Amount Owing To A Director RM	Total RM
2022							
At 1 January	11,328,556	8,210,646	44,513,000	-	299,396	-	64,351,598
<u>Changes in Financing Cash Flows</u>							
Repayment of principal	(3,842,718)	(3,627,222)	(3,181,000)	*	-	-	(10,650,940)
Repayment of interests	(614,166)	(474,612)	(1,726,305)	(95,294)	-	-	(2,910,377)
Repayment to related companies	-	-	-	-	(142,006)	-	(142,006)
Advances from a director	-	-	-	-	-	5,000	5,000
<u>Other Changes</u>							
Acquisition of new hire purchase arrangements for assets purchased in current financial year (Note (a) above)	-	3,544,000	-	-	-	-	3,544,000
Interest expenses recognised in profit or loss	614,166	474,612	1,726,305	95,294	-	-	2,910,377
At 31 December	7,485,838	8,127,424	41,332,000	-	157,390	5,000	57,107,652

* Bank overdrafts form part of the cash and cash equivalents, therefore, no movement is presented.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. CASH FLOW INFORMATION (CONT'D)

- (c) The total cash outflows for lessee as a lessee are as follows:-

	THE GROUP	
	2023 RM	2022 RM
Payment of short-term lease	820	820

- (d) The cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits with licensed banks	5,565,000	5,965,000	-	-
Cash and bank balances	43,880,783	12,256,302	394,954	3,775,814
	49,445,783	18,221,302	394,954	3,775,814
Less: Fixed deposits pledged to licensed banks (Note 15)	(565,000)	(2,965,000)	-	-
	48,880,783	15,256,302	394,954	3,775,814

34. RELATED PARTY DISCLOSURES

- (a) Holding Companies and Subsidiaries

The holding companies are disclosed in Note 2 to the financial statements.

The subsidiaries as disclosed in Note 6 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Immediate holding company				
Sales of goods	(93,393,224)	(62,715,177)	-	-
Purchase of goods	59,212,259	85,797,895	-	-
Subsidiary				
Management fee received/receivable	-	-	(360,000)	(360,000)
Fellow subsidiaries				
Sales of goods	(200,435,437)	(215,716,568)	-	-
Purchase of goods	23,947,664	47,997,452	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

35. CAPITAL COMMITMENTS

	THE GROUP	
	2023 RM	2022 RM
Purchase of property, plant and equipment	2,713,667	-

36. OPERATING SEGMENTS

(a) Business Segment and Geographical Information

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

(b) Major Customers

The following are major customers with revenue equal to or more than 10% of Group's revenue:-

	REVENUE	
	2023 RM	2022 RM
Customer A	89,823,800	96,436,981
Customer B	100,214,517	97,411,346
Customer C	93,307,734	64,138,454



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

37.1 Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company do not have any transaction or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk that based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 21 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2023 RM	2022 RM
Effects on profit/(loss) after taxation		
Increase of 26 basis points (2022 – 93 basis points)	- 102,502	-280,189
Decrease of 26 basis points (2022 – 93 basis points)	+ 102,502	+280,189

(iii) Equity Price Risk

The principal exposure to equity price risk arises mainly from changes in quoted investment prices of the Group and of the Company. The Group and the Company manage its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Group and the Company and hence, no sensitivity analysis is presented.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables, other receivables and amount owing by related companies. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the abilities of subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (2022 – 2) customers which constituted approximately 95% (2022 – 90%) of its trade receivables (including related companies) at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

At each reporting date, the Group assess whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Amount Owing by Related Companies

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables (including related companies).

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and related companies have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables and related parties that are credit impaired and trade receivables and related parties with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 36 months (2022 – 36 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables and related parties to settle their debts using the linear regressive analysis. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

THE GROUP	GROSS AMOUNT RM	LIFETIME COLLECTIVE ALLOWANCE RM	CARRYING AMOUNT RM
2023			
Current (not past due)	98,519,740	(1,172,693)	97,347,047
1 to 30 days past due	4,252	(4,252)	–
31 to 60 days past due	169	(169)	–
	98,524,161	(1,177,114)	97,347,047



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Amount Due from Related Companies (Cont'd)

Allowance for Impairment Losses (Cont'd)

THE GROUP	GROSS AMOUNT RM	LIFETIME COLLECTIVE ALLOWANCE RM	CARRYING AMOUNT RM
2022			
Current (not past due)	54,096,844	(246,698)	53,850,146
1 to 30 days past due	4,653,360	(921,591)	3,731,769
31 to 60 days past due	281	(281)	-
More than 120 days past due	8,544	(8,544)	-
	58,759,029	(1,177,114)	57,581,915

The movements in the loss allowances in respect of trade receivables are disclosed in Notes 11 and 13 to the financial statements respectively.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, however the balance is immaterial and hence, it is not provided for.

Amount Owed By Related Companies (Non-trade)

The Group considers amount due from related companies (non-trade) have low credit risks. As the Group is able to determine the timing of payments from the related companies (non-trade) when they are payable, the Group considers the amount outstanding to be in default when the related companies (non-trade) are not able to pay when demanded.

The Group determines the probability of default for these amount outstanding individually using internal information available.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Related Companies (Non-trade) (Cont'd)

Allowance for Impairment Losses

THE GROUP	GROSS AMOUNT RM	LIFETIME COLLECTIVE ALLOWANCE RM	CARRYING AMOUNT RM
2023			
Low credit risk	373,304	-	373,304

2022

Low credit risk	48,599	-	48,599
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THE COMPANY	GROSS AMOUNT RM	LIFETIME COLLECTIVE ALLOWANCE RM	CARRYING AMOUNT RM
2023			
Low credit risk	370,770	-	370,770

2022

Low credit risk	371,445	-	371,445
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The movements in the loss allowances are disclosed in Note 13 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	CONTRACTUAL COUPON INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM	OVER 5 YEARS RM
2023						
Non-derivative Financial Liabilities						
Trade payables	-	94,739,477	94,739,477	94,739,477	-	-
Other payables and accruals	-	3,696,406	3,696,406	3,696,406	-	-
Amount owing to related companies	-	360,726	360,726	360,726	-	-
Hire purchase payables	4.85 — 6.95	4,993,772	5,430,445	3,380,984	2,049,461	-
Term loans (secured)	5.75 — 7.25	27,101,168	30,968,770	4,736,400	17,695,684	8,536,686
Bankers' acceptances (secured)	5.30 — 5.86	51,439,000	51,439,000	51,439,000	-	-
		182,330,549	186,634,824	158,352,993	19,745,145	8,536,686



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

THE GROUP	CONTRACTUAL COUPON INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM
2022					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	89,930,466	89,930,466	89,930,466	-
Other payables and accruals	-	3,870,969	3,870,969	3,870,969	-
Amount owing to related companies	-	492,686	492,686	492,686	-
Amount owing to a director	-	5,000	5,000	5,000	-
Hire purchase payables	4.31 – 7.20	8,127,424	8,991,926	4,685,845	4,306,081
Term loans (secured)	5.72 – 7.62	7,485,838	7,962,942	3,734,772	4,228,170
Bankers' acceptances (secured)	5.17 – 6.20	41,332,000	41,332,000	41,332,000	-
		151,244,383	152,585,989	144,051,738	8,534,251



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

THE COMPANY	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
2023			
Other payables and accruals	345,040	345,040	345,040
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	80,273,873	80,273,873
	345,040	80,618,913	80,618,913

THE COMPANY	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
2022			
Other payables and accruals	244,191	244,191	244,191
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	52,273,474	52,273,474
	244,191	52,517,665	52,517,665



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debts divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	THE GROUP	
	2023 RM	2022 RM
Hire purchase payables (Note 20)	4,993,772	8,127,424
Term loans (secured) (Note 21)	27,101,168	7,485,838
Bankers' acceptances (secured) (Note 26)	51,439,000	41,332,000
	83,533,940	56,945,262
Less: Fixed deposits with licensed banks (Note 15)	(5,565,000)	(5,965,000)
Less: Cash and bank balances	(43,880,783)	(12,256,302)
Net debt	34,088,157	38,723,960
Total equity	113,604,258	70,190,223
Debt-to-equity ratio	0.30	0.55

There was no change in the approach to capital management during the financial year.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 Classification of Financial Instruments

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investment (Note 14)	4,395,929	865,005	3,500,863	-
<u>Amortised Cost</u>				
Trade receivables (Note 11)	4,009,869	3,852,125	-	-
Other receivables and deposits (Note 12)	227,811	234,049	-	-
Amount owing by related companies (Note 13)	93,710,482	53,778,389	370,770	371,445
Fixed deposits with licensed banks (Note 15)	5,565,000	5,965,000	-	-
Cash and bank balances	43,880,783	12,256,302	394,945	3,775,814
	147,393,945	76,085,865	765,715	4,147,259
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables (Note 22)	94,739,477	89,930,466	-	-
Other payables and accruals (Note 23)	3,696,406	3,870,969	345,040	244,191
Amount owing to related companies (Note 24)	360,726	492,686	-	-
Amount owing to a director (Note 25)	-	5,000	-	-
Hire purchase payables (Note 20)	4,993,772	8,127,424	-	-
Term loans (secured) (Note 21)	27,101,168	7,485,838	-	-
Bankers' acceptances (secured) (Note 26)	51,439,000	41,332,000	-	-
	182,330,549	151,244,383	345,040	244,191



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 Gains or Losses Arising from Financial Instruments

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	130,923	18,940	100,862	-
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	102,501	(389,063)	-	-
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(3,461,287)	(2,910,377)	-	-

37.5 Fair Values Information

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D) 37.5 Fair Values Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of reporting period:-

THE GROUP	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			TOTAL FAIR VALUE	CARRYING AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3		
2023								
Financial Assets								
Short-term investments								
- Fair value through profit or loss	-	4,395,929	-	-	-	-	4,395,929	4,395,929
Financial Liabilities								
Term loans (secured)	-	-	-	-	27,101,168	-	27,101,168	27,101,168
Hire purchase payables	-	-	-	-	4,993,772	-	4,993,772	4,993,772
	-	-	-	-	32,094,940	-	32,094,940	32,094,940
2022								
Financial Assets								
Short-term investments								
- Fair value through profit or loss	-	865,005	-	-	-	-	865,005	865,005
Financial Liabilities								
Term loans (secured)	-	-	-	-	7,485,838	-	7,485,838	7,485,838
Hire purchase payables	-	-	-	-	8,127,424	-	8,127,424	8,127,424
	-	-	-	-	15,613,262	-	15,613,262	15,613,262



NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 Fair Values Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of reporting period (Cont'd):-

THE COMPANY	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			TOTAL FAIR VALUE	CARRYING AMOUNT
	LEVEL 1	LEVEL 2	LEVEL 3		
	RM	RM	RM	RM	RM
2023					
Financial Assets					
Short-term investments					
- Fair value through profit or loss	—	3,500,863	—	3,500,863	3,500,863

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

- (i) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rate on or near the reporting date.
- (ii) The fair value of the hire purchase payables are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	THE GROUP	
	2023 %	2022 %
Hire purchase payables	6.88	6.95

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023

The top 10 properties of the Group in terms of highest net book value as at 31 December 2023 are as follows:

	Registered Owner and Location	Existing Use/ Description	Land Area and Tenure	Revaluation Date	Approximate age of buildings (years)	Net book value (RM)
1	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 3047 (Formerly Lot 659) Lot No. 3015 (Formerly Lot 660) Mukim of Melekek District of Alor Gajah, Melaka	Agriculture land use as layer poultry farm	27.481 hectares Freehold	1.11.2021	8 to 37	35,701,751.57
2	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 96 & 97, Mukim of Melekek District of Alor Gajah, Melaka	Agriculture land use as layer poultry farm	5.6959 hectares Freehold	1.11.2021	9 to 34	
3	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 125, 126 and 127 Mukim of Sungei Buloh District of Alor Gajah, Melaka	Agriculture land use as layer poultry farm	11.2171 hectares Freehold	1.11.2021	9 to 34	
4	MESTIKA ARIF SDN BHD Lot No. 2141 - 2149 (Formerly PT 303 - 311) Mukim of Taboh Naning District of Alor Gajah, Melaka	Agriculture land with oil palm trees	31.723 hectares Freehold	1.11.2021	NA	10,190,000.00
5	TECK PING CHAN AGRICULTURE SDN BHD Geran No. Hakmilik 61725, Lot 1409 Mukim Titian Bintagor District of Rembau, Negeri Sembilan	Agriculture land use as layer poultry farm	3.8698 hectares Freehold	1.11.2021	7	6,841,292.57
6	TECK PING CHAN AGRICULTURE SDN BHD Lot 1530,1531,1532,1521 Mukim Titian Bintangor District of Rembau, Negeri Sembilan	Agriculture land use as layer poultry farm	16.2025 hectares Freehold	N/A	N/A	5,204,550.00
7	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 1158 & 1159, Mukim of Melekek District of Alor Gajah, Melaka	Agriculture land use as layer poultry farm	8.114 hectares Freehold	1.11.2021	16	5,080,538.46
8	TECK PING CHAN AGRICULTURE SDN BHD Lot 102, GM 13, Mukim Sungai Buloh District of Alor Gajah, Melaka	Agriculture land use as chicken droppings store	2.0335 hectares Freehold	1.11.2021	6	2,100,293.42
9	TECK PING CHAN AGRICULTURE SDN BHD Lot No. 1512 - 1513, Mukim of Pegoh District of Alor Gajah, Melaka	Agriculture land with oil palm trees	4.695 hectares Freehold	1.11.2021	NA	1,625,000.00
10	TECK PING CHAN AGRICULTURE SDN BHD Lot 123, Mukim of Sungei Buloh District of Alor Gajah, Melaka	Agriculture land use as chicken droppings store	2.0967 hectares Freehold	1.11.2021	10	1,535,036.54



ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

No. of shares issued : 308,232,783

Class of shares : Ordinary shares

Voting rights : One vote for each ordinary share

Number of shareholders : 1,616

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Huat Lai Resources Berhad	181,920,038	59.02	-	-
2. Esprit Unity Sdn Bhd	-	-	181,920,038	59.02 *
3. Lim Yeow Her	-	-	181,920,038	59.02 **
4. Lim Yeow Kian	-	-	181,920,038	59.02 **
5. Datuk Wira Lim Yeow Siong	-	-	181,920,038	59.02 **

Note:

* Deemed interested by virtue of its direct interests in Huat Lai Resources Berhad.

** Deemed interested by virtue of his direct interests in Huat Lai Resources Berhad and indirect interest in Huat Lai Resources Berhad through Esprit Unity Sdn Bhd.

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	29	1.79	874	0.00
100 – 1,000	407	25.19	365,750	0.12
1,001 – 10,000	496	30.69	2,776,188	0.90
10,001 – 100,000	519	32.12	20,748,150	6.73
100,001 to less than 5% of the issued shares	162	10.02	102,421,783	33.23
5% and above of the issued shares	3	0.19	181,920,038	59.02
TOTAL	1,616	100.00	308,232,783	100.00

ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2024

THIRTY LARGEST SHAREHOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

Name	No. of Shares	%
1. UOBM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Huat Lai Resources Berhad (PCB)	74,327,361	24.11
2. Huat Lai Resources Berhad	73,818,402	23.95
3. Huat Lai Resources Berhad	33,774,275	10.96
4. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Kee Hor (E-TJJ)	12,733,850	4.13
5. Yap Yi Xuan	9,950,000	3.23
6. Siah Tian Yee	9,031,900	2.93
7. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (8092812)	4,350,000	1.41
8. Eng Soon Cheik	3,725,400	1.21
9. Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary : Chong Mei	3,501,500	1.14
10. Chong Peh Chin	2,402,700	0.78
11. Lim Lai Chuan	2,396,500	0.78
12. Eng Soon Cheik	2,296,200	0.74
13. Yap Kee Hor	1,500,000	0.49
14. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siah Tian Yee (E-TJJ)	1,459,600	0.47
15. Wong Nyong How	1,368,400	0.44
16. Malacca Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ho Kok Kiang	1,300,000	0.42
17. Ong Chin Hua	1,203,100	0.39
18. Liew Yew Seng	1,042,000	0.34
19. CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Lee Cheong Keat @ Lee Chong Keat (Penang-CL)	1,000,800	0.32
20. Ng Chee Heng	901,100	0.29
21. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kean Leong Poultry Trading Sdn Bhd (E-BMM)	885,600	0.29
22. Foong Thin Choy	830,000	0.27
23. Ong Lay Yan	824,500	0.27
24. Boon Seu Mui	783,000	0.25
25. Chua Kau @ Chua Kim Yan	783,000	0.25
26. Tung Kai Hng	700,000	0.23
27. Teo Boon Hoo	668,900	0.22
28. CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Chong Boon Weng (MY0970)	640,100	0.21
29. Lee Chee Beng	640,033	0.21
30. Chua Kau @ Chua Kim Yan	613,000	0.20



DIRECTORS' INTERESTS IN THE COMPANY AND RELATED CORPORATION

None of the Directors of the Company hold any shares in the Company and/or its related corporation as at 29 March 2024.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting of TPC Plus Berhad ("the Company") will be held at the **Hang Li Po Meeting Room** at **AMES Hotel, Jalan PKAK 1 & PKAK 2, Pusat Komersial Ayer Keroh, 75450 Ayer Keroh, Melaka** on **Thursday, 30 May 2024** at **12:00 noon** for the purpose of transacting the following business:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon.
Please refer to Explanatory Note (a)
2. To approve the payment of Directors' fees amounting to RM300,800.00 for the financial year ended 31 December 2023. Resolution 1
3. To approve the payment of Directors' benefits (other than Directors' fees) to the Non-Executive Directors for the period from 31 May 2024 until the next Annual General Meeting to be held in 2025.
Please refer to Explanatory Note (c) Resolution 2
4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 21.5 of the Company's Constitution and, being eligible, have offered themselves for re-election:
 - 4.1 Mr Chong Chee Siong Resolution 3
 - 4.2 Mr Chong Peng Khang Resolution 4
5. To re-elect the following Director who is retiring in accordance with Clause 22.1 of the Company's Constitution and, being eligible, has offered herself for re-election:
 - 5.1 Ms Lim Chian Harn Resolution 5
6. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. Resolution 6

As Special Business

To consider and, if thought fit, pass the following resolution:

7. **ORDINARY RESOLUTION** Resolution 7
Proposed renewal of shareholders' mandate on recurrent related party transactions of a revenue or trading nature

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the mandate to Teck Ping Chan Agriculture Sdn Bhd, a wholly-owned subsidiary of the Company, to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders dated 30 April 2024 with the related parties mentioned therein which are necessary for its day-to-day operations provided that the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.



NOTICE OF ANNUAL GENERAL MEETING

AND THAT such mandate shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse unless by a resolution passed at the meeting the mandate is renewed;
 - b. the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
 - c. revoked or varied by resolution passed by the shareholders in a general meeting,
- whichever is the earlier.

AND THAT the Directors of the Company be empowered to complete and do all such acts and things as they may consider expedient or necessary to give effect to the mandate and transactions contemplated and authorised by this resolution."

8. To transact any other business of the Company of which due notice shall have been given.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend the 21st Annual General Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 18.7 of the Company's Constitution, to issue a General Meeting Record of Depositors as at 23 May 2024 ("the ROD"). Only a depositor whose name appears on the ROD shall be entitled to attend the 21st Annual General Meeting or appoint proxy(ies) to attend and/or vote on his behalf.

BY ORDER OF THE BOARD

ONG SOO LENG
Company Secretary
SSM PC No. 202008002605
MAICSA 7018257

Melaka
30 April 2024

Notes:

- (i) A member entitled to attend and vote at the 21st Annual General Meeting ("AGM") shall be entitled to appoint another person(s) as his proxy(ies) to exercise all or any of his rights to attend, speak and vote at the AGM. There shall be no restriction as to the qualification of the proxy(ies).
- (ii) Where a member appoints more than one proxy, the proxies shall only be entitled to vote on poll and the appointment shall not be valid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (iii) Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the member or his attorney duly authorised in writing or, if the member is a corporation, the instrument shall be executed under its common seal or under the hand of an officer or attorney duly authorised.

NOTICE OF ANNUAL GENERAL MEETING

- (v) The duly completed proxy form must be received by the Company at its registered office located at PT 1678, Mukim of Serkam, 77300 Merlimau, Melaka or via e-mail at proxyform@tpc.com.my not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof.
- (vi) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa"), all resolutions set out in this Notice will be put to vote by poll.

Explanatory Notes:

(a) Agenda 1

The Audited Financial Statements are laid before the meeting in pursuance of Section 340(1)(a) of the Companies Act 2016 for discussion only and do not require shareholders' approval. Hence, this matter will not be put for voting.

(b) Resolution 1

The Directors' fees amounting to RM300,800.00, if approved by shareholders, will be paid to the Directors who held office during the financial year ended 31 December 2023 in the following manner:

Directors' fees	
Executive Directors	RM3,800.00 per month
Non-executive Directors	RM4,000.00 per month

(c) Resolution 2

The Company is seeking shareholders' approval for the payment of an attendance allowance of RM600.00 a day to Non-Executive Directors for attending meetings held during the period from 31 May 2024 until the day of the 22nd AGM to be held in 2025.

(d) Resolutions 3 and 4

Pursuant to Clause 21.5 of the Company's Constitution, an election of Directors shall take place each year at the annual general meeting of the Company where 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election.

Based on the results of the assessment carried out by the Nomination and Remuneration Committee ("NRC") and the Independent Directors' self-assessment checklist, the Board of Directors had endorsed the NRC's recommendation to seek shareholders' approval on the re-election of the Independent Directors, Mr Chong Chee Siong and Mr Chong Peng Khang, who are retiring by rotation at this 21st AGM. The Board collectively agreed with the NRC that there are no adverse findings on the retiring Directors and they are able to continue to act independently in the best interest of the Company.

Further information of Mr Chong Chee Siong and Mr Chong Peng Khang can be found in the Directors' Profile set out in the Company's Annual Report 2023.

(e) Resolution 5

Pursuant to Clause 22.1 of the Company's Constitution, the Directors may at any time and from time to time appoint any person as Director of the Company and the Director so appointed shall hold office only until the next AGM of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.



NOTICE OF ANNUAL GENERAL MEETING

Ms Lim Chian Harn was appointed as Director of the Company with effect from 1 June 2023 and hence shall retire at the conclusion of the 21st AGM in accordance with Clause 22.1 of the Constitution.

The NRC and the Board had noted that Ms Lim Chian Harn is the niece of Mr Lim Yew Kwang and Datuk Lim Yew Piau, Executive Directors of the Company, and the daughter of Mr Lim Yeow Her, a substantial shareholder of the Company vide his direct and indirect interests in Huat Lai Resources Berhad.

The Board, through the assessment carried out by the NRC, is satisfied with the performance of Ms Lim Chian Harn in the discharge of her duties and responsibilities as an Executive Director of the Company and had accordingly endorsed the NRC's recommendation to seek for shareholders' approval on the re-election of Ms Lim Chian Harn.

Further information on Ms Lim Chian Harn can be found in the Directors' Profile set out in the Company's Annual Report 2023.

(f) Resolution 6

The Audit Committee had assessed the Auditors, Crowe Malaysia PLT, and was satisfied with the performance, independence and capabilities of the Auditors. Hence the Audit Committee had proposed to the Board and the Board had endorsed the re-appointment of Crowe Malaysia PLT as the Company's Auditors for the financial year ending 31 December 2024 at the 21st AGM.

(g) Resolution 7

Ordinary Resolution 7, if passed, will allow Teck Ping Chan Agriculture Sdn Bhd, a wholly-owned subsidiary of the Company, to enter into recurrent related party transactions in accordance with the MMLR of Bursa. This approval shall continue to be in force until the conclusion of the 22nd AGM or the expiration of the period within which the 22nd AGM is required by the law to be held or revoked/varied by a resolution passed by the shareholders in a general meeting.

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TPC PLUS BERHAD

Registration No. 200301012910 (615330-T)
(Incorporated In Malaysia under the Companies Act, 1965)

PROXY FORM

No. of shares held

*I/We, _____ of _____ being
a member of TPC Plus Berhad hereby appoint _____ of
_____ or failing him/her _____

of _____ or failing him/her *the Chairman of the Meeting
as *my/our proxy to attend and vote on *my/our behalf at the 21st Annual General Meeting of the Company to be
held at the **Hang Li Po Meeting Room, AMES Hotel, Jalan PKAK 1 & PKAK 2, Pusat Komersial Ayer Keroh,
75450 Ayer Keroh, Melaka** on **Thursday, 30 May 2024 at 12:00 noon** and at any adjournment thereof.

(Please indicate with an 'X' in the space provided below how you wish your vote to be cast. If no specific direction
as to voting is given, the proxy will vote or abstain from voting at his/her discretion)

		For	Against
Resolution 1	Approve the payment of Directors' fees		
Resolution 2	Approve the payment of Directors' benefits (other than Directors' fees)		
Resolution 3	Re-elect Mr Chong Chee Siong as Director		
Resolution 4	Re-elect Mr Chong Peng Khang as Director		
Resolution 5	Re-elect Ms Lim Chian Harn as Director		
Resolution 6	Re-appoint Crowe Malaysia PLT as Auditors		
Resolution 7	Renew the mandate for recurrent related party transactions		

Dated this _____ day of _____ 2024

The proportion of my shareholding
to be represented by my proxies is as follows:

First named proxy _____ %
Second named proxy _____ %
_____ 100%

Signature of member or
Common seal of corporate member

Notes:

- A member entitled to attend and vote at the 21st Annual General Meeting ("AGM") shall be entitled to appoint another person(s) as his proxy(ies) to exercise all or any of his rights to attend, speak and vote at the AGM. There shall be no restriction as to the qualification of the proxy(ies).
- Where a member appoints more than one proxy, the proxies shall only be entitled to vote on poll and the appointment shall not be valid unless the member specifies the proportion of his holdings to be represented by each proxy.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the member or his attorney duly authorised in writing or, if the member is a corporation, the instrument shall be executed under its common seal or under the hand of an officer or attorney duly authorised.
- The duly completed proxy form must be received by the Company at its registered office located at PT 1678, Mukim of Serkam, 77300 Merlimau, Melaka or via e-mail at proxyform@tpc.com.my not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa"), all resolutions set out in the AGM Notice will be put to vote by poll.

* Strike out whichever is not desired

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary

TPC Plus Berhad

PT 1678, Mukim of Serkam
77300 Merlimau, Melaka

1st fold here

TPC PLUS BERHAD

Registration No. 200301012910 (615330-T)
(Incorporated In Malaysia under the Companies Act,1965)

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General Fax Number: +606 2686 327
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