LTKM BERHAD

199701027444 (442942-H)

SUSTAINABILITY REPORT 2026

ENVIRONMENT

Protecting our planet through responsible actions

SOCIAL

Empowering people and creating positive impact

GOVERNANCE

Upholding integrity and driving sustainable growth

NATURAL AT HEART | PEOPLE FOCUSED | RESPONSIBLE OPERATIONS | SUSTAINABLE GROWTH

INTEGRITY • RESPONSIBILITY • CARE • EXCELLENCE

Table of Content

INTRODUCTION

BASIS OF THIS REPORT

This Sustainability Report ("this Report") outlines LTKM's journey in sustainability in its business operations. Aligned with recognised sustainability reporting standards and frameworks, this Report covers LTKM's strategic approaches in managing sustainability-related risks and opportunities that could reasonably be expected to affect LTKM's business operations.

In preparing this Report, LTKM has referred to:

1. The **updated Sustainability Reporting Guide** (3rd Edition) by Bursa Malaysia, which provides sectoral guidance and aligns with the requirement to disclose material economic, environmental and social (EES) matters,
2. Bursa Malaysia's **Enhanced Sustainability Reporting Framework,** and
3. International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards
   - **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)** and
   - **IFRS S2 Climate-related Disclosures (IFRS S2)**

This Report is prepared for stakeholders with an interest in LTKM's sustainability management and performance - including shareholders, customers, consumers, suppliers, employees, regulators, and the local communities in which we operate. This Report focuses on LTKM's key material sustainability areas organised in the following for each key material sustainability area:

i. **Governance** – How sustainability responsibilities and oversight are structured within LTKM.
ii. **Strategy** – The integration of strategic management of sustainability matters into LTKM's overall business strategy and day-to-day operations with focus on material risks and opportunities.
iii. **Risk Management** – Identification, assessment, and mitigation of sustainability-related risks.
iv. **Metrics and Targets** – Quantitative and qualitative measures used to track performance and progress against sustainability objectives.

This Report sets out to provide clarity and easier reading for its users. This Report should be read as an integral component of LTKM's Annual Report 2026 and is prepared in accordance with the applicable transitional provisions for Bursa Malaysia's disclosure requirements for sustainability statements.

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SCOPE OF THIS REPORT

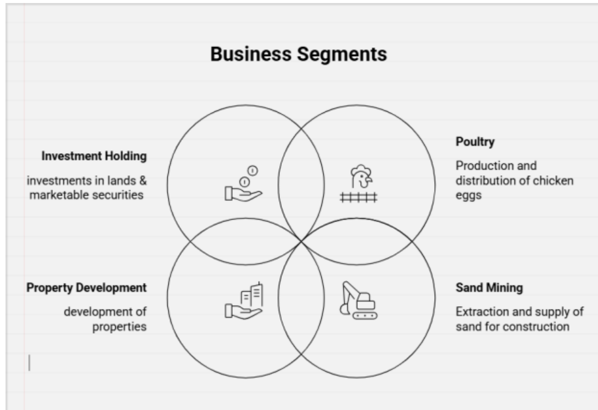
LTKM operates in 4 major segments, organised into business segments based on their products and services:

(i) Production and sale of poultry and related products - the production and sales of chicken eggs, chickens, organic fertilisers, chicken feeds and other materials.

(ii) Extraction and sale of sand - the mining and sale of sand.

(iii) Investment holding - investment in quoted and unquoted securities, and investment properties held by the Group on a long term basis.

(iv) Property development - the business of developing residential and commercial properties.



The scope of this Report covers material sustainability matters across our major business operations and value chain for FY2026 and unless specified otherwise, focuses on the poultry segment which is the production and selling of chicken eggs operating at Durian Tunggal, Melaka. The poultry segment is the core business of LTKM Group which contributes 95.6% of the group revenue and 97.0% percentage of the group activities based on employee's headcount.

Contribution of Poultry Segment to LTKM Group:

Poultry Segment Contribution to Group Revenue
95.6%
2025: 95.9%
2024: 96.6%

Poultry Segment Contribution to Employee Headcount
97.0%
2025: 96.92%
2024: 96.93%

INTRODUCTION
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STATEMENT FROM THE CHAIRMAIN

Dear Shareholders and Stakeholders,

On behalf of the Board of Directors, I am pleased to present LTKM Berhad's Sustainability Report for the financial year ended 31 March 2026.

As one of Malaysia's leading egg producers, we recognise that long-term business success depends not only on financial performance but also on our ability to manage environmental, social and governance ("ESG") matters responsibly. Sustainability has always been embedded in our operations through responsible farming practices, product quality management, employee welfare, environmental stewardship and strong corporate governance.

During FY2026, the Group maintained stable production of approximately 1.5 million eggs per day despite operating in an increasingly challenging environment characterised by commodity price volatility, changing regulatory expectations and climate-related risks. We continued to strengthen our sustainability management through a structured approach across our material sustainability matters.

Biosecurity, product safety & quality and supply chain resilience remain critical priorities for our operations. At the same time, we continued to focus on responsible management of waste, water and energy resources while investing in technologies and operational practices that enhance efficiency and environmental performance.

Climate-related risks are becoming increasingly important to the agriculture and poultry sectors. Rising temperatures, changing weather patterns and resource availability present challenges that require proactive management. During the year, we continued to strengthen measures such as closed-house farming systems, cooling infrastructure, artesian well water supply, backup power systems and biosecurity controls to support operational resilience and business continuity.

We also remain committed to our people and communities. Through ongoing investments in employee welfare, occupational safety, skills development and community support initiatives, we strive to create positive and lasting value for our employees, customers, shareholders and the communities in which we operate.

This Sustainability Report has been prepared in accordance with Bursa Malaysia's Enhanced Sustainability Reporting Framework and with reference to IFRS Sustainability Disclosure Standards, IFRS S1(General Requirements for Disclosures of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosure), taking into account the applicable transitional provisions. As sustainability reporting requirements continue to evolve, we remain committed to strengthening our ESG governance, data quality and disclosure practices over time.

On behalf of the Board, I would like to express our sincere appreciation to our employees, customers, suppliers, shareholders, regulators and business partners for their continued support and trust. Together, we will continue to build a resilient and sustainable future for LTKM.

Thank you.

Datuk Tan Kok
Executive Chairman
LTKM Berhad

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ABOUT LTKM

LTKM's Poultry Operations

LTKM Berhad's chicken eggs is a trusted name in Malaysia's poultry industry, operating as a fully integrated commercial poultry producer. Our flagship farm in Durian Tunggal, Melaka spans approximately 450 acres and is proudly recognised as Malaysia's largest single-location poultry farm.

At the heart of our operations is the production of our premium table egg brand, **LTK Omega Plus.** LTKM was the pioneer producer of Omega-3 enriched eggs. LTK Omega Plus eggs are known for its consistent quality and nutritional value. With decades of expertise and continuous investment in modern farming practices, we remain committed to delivering high-quality eggs to households nationwide.

Major Milestones

LTKM's poultry farm began in 1976 on a 10-acre land in Klang, Selangor with an initial output of 50,000 eggs per day. It expanded and moved to its current location in 1986. Today it sits on a 450-acre land in Durian Tunggal, Melaka with daily production capacity of 1.5 million eggs per day. The farm operates on a highly integrated and automated facilities from day-old chicks intake, feeding, growing to collection and distribution of daily produce. It employs over 500 workers and is amongst the major producers in Malaysia. LTKM's daily production output is fully distributed the next day.

In 1999, LTKM produced Malaysia's LTK Omega Plus eggs - the first ever Omega-3 enriched eggs under licenced from Marditech Corporation Sdn Bhd, a commercial arm of the Malaysia Agriculture Research & Development Institute (MARDI).

Driven by innovation, operational excellence, and a strong commitment to product quality and sustainability, LTKM continues to strengthen its position in Malaysia's poultry sector while meeting the growing needs of consumers.

INTRODUCTION
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ABOUT LTKM *cont'd*

Performance Review – Financial Year 2026

For FY2026, LTKM recorded a **net profit of RM38.3 million**, compared to **RM48.5 million** in the previous financial year. Revenue stood at **RM211.9 million**, down from **RM222.1 million** previously.

Despite the movements in revenue and profitability, production levels remained stable at approximately **1.5 million eggs per day**, reflecting the resilience and operational consistency of the Group's core poultry operations.

Key Financial Highlights for FY2026

- Revenue: **RM211.9 million** 2025: RM222.1 million / 2024: RM257.7 million
- Net Profit: **RM38.3 million** 2025: RM48.5 million / 2024: RM58.6 million
- Earnings Per Share (EPS): **RM0.27** 2025: 33.88 sen / 2024: 40.92 sen
- Total workers: **571 headcounts** 2025: 551 / 2024: 553 headcounts
- Quantity of eggs sold: **546 mil pieces** 2025: 537 / 2024: 536 mil pieces

Further details and comprehensive financial analyses are available in LTKM's **Annual Report 2026**.

OUR SUSTAINABILITY APPROACH

OUR STRATEGY

As a large-scale layer farm operating from a single primary location, LTKM recognises the significant environmental and social responsibilities inherent in poultry production. We understand that our operations can have wide-ranging impacts on the environment, local communities and the well-being of our workforce. As such, sustainability is embedded at the core of our business strategy, guiding decisions across all levels of the organisation. This importance has been in place since inception of the farm and improved over the years; and are now disclosed structurally as sustainability reporting.

At LTKM, we use the three interrelated pillars of ESG below: each designed to drive long-term resilience, operational excellence, and value creation for our stakeholders - to structure our sustainability strategies:

- **Environmental Stewardship** – LTKM actively manages environmental impacts through initiatives targeting waste reduction, efficient water use, and emissions management. By monitoring key environmental indicators and adopting best practices in resource management, we strive to minimise our ecological footprint and contribute to broader sustainability goals.

- **Social Commitment** – The well-being & development of our employees, the safety of our products, and the welfare of the communities in which we operate are central to our approach. We invest in workforce development, health and safety programs, and community engagement initiatives to foster positive social outcomes while reinforcing trust and accountability across our value chain.

- **Governance** – Strong governance practices form the foundation of our sustainability efforts. LTKM upholds high standards of corporate governance, ethical business conduct, and regulatory compliance to ensure accountability and transparency in our operations. Through effective oversight, risk management, and clearly defined policies, we strive to strengthen organisational integrity and support sustainable business growth.

These pillars of ESG provide a comprehensive framework to identify LTKM's material sustainability issues which align our operational activities with long-term sustainability objectives, ensuring that under its governance structure, LTKM continues to create economic, environmental, and social value for all stakeholders.

The implementation of these sustainability strategies enables the Company to systematically identify, manage and mitigate material sustainability-related risks while capitalising on opportunities that enhance operational efficiency, resilience and long-term value creation.

OUR SUSTAINABILITY APPROACH
cont'd

OUR STRATEGY *cont'd*

The table below uses 3 real-operation scenarios to illustrate how Material Sustainability Matters are linked to the related risks arising from operations and the opportunities created through effective management responses.

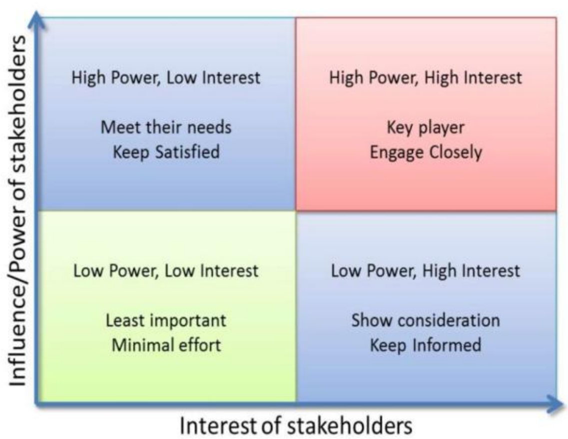
Material Issues	Risk	Opportunities
Waste from chicken dung	If not regularly cleared and treated, chicken dung can pollute the environment and release hazardous gases such as ammonia that may affect workers, poultry health, and surrounding areas.	Chicken dung is processed into organic fertiliser, turning waste into a by-product that has been generating additional revenue for LTKM while maintaining farm cleanliness.
Water source reliability	Dependence on external water supply may result in water shortages or disruptions, which could affect flock health and potentially lead to mortality.	Our farm has been using artesian wells water that is a consistent and reliable water supply which has reduced water costs to minimal and also reduced dependence on external sources.
Labour practices	Large farm operations require a high number of workers, and reliance on labour may create risks due to changing foreign worker policies or labour shortages.	Implemented automation where feasible (for example egg collection and grading process, layer feeding process) has reduced reliance on manpower, improved operational efficiency, and lowered long-term costs.

OUR SUSTAINABILITY APPROACH
cont'd

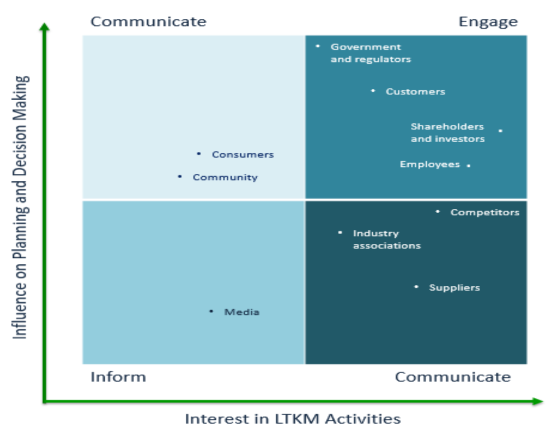
OUR STAKEHOLDERS

Understanding stakeholder expectations is fundamental to the sustainability strategy of **LTKM Berhad**. Stakeholder insights form our materiality assessment, guide strategic responses, and shape the prioritisation of disclosures to ensure relevance, transparency, and long-term value creation.

LTKM' stakeholder matrix identifies key groups based on their **level of influence and interest**.



LTKM STAKEHOLDERS MATRIX



At LTKM we assess our stakeholders based on two key dimensions: **level of influence on planning and decision-making** and **level of interest in the company's activities**. From the assessment, stakeholders are grouped into a matrix of four quadrants: *Inform or Communicate and Engage or Communicate*.

Our Stakeholder Groups

Our stakeholders with **high influence and high interest**, such as government and regulators, customers, shareholders and investors, and employees, are placed in the *Engage* quadrant. These groups are closely managed and actively involved in decision-making processes.

Our stakeholders with **high influence but lower interest**, including general consumers and the community, fall under the *Communicate* category. We ensure these groups are kept informed and consulted regularly.

Those with **lower influence but higher interest**, such as suppliers, competitors, and industry associations, are also actively communicated with to maintain strong relationships and alignment with industry developments.

Finally, stakeholders with **low influence and low interest**, such as the media, are placed in the *Inform* quadrant, where LTKM provides updates as needed without intensive engagement.

OUR SUSTAINABILITY APPROACH
cont'd

OUR STAKEHOLDERS *cont'd*

Our Stakeholders' Engagement Channels

Based on categorisation of the stakeholders above, our engagement efforts are designed to:
- **Address business-critical issues** in a timely and structured manner
- **Ensure transparent, consistent, and two-way communication**
- **Recognise stakeholders** within our broader value chain

Through this structured approach, LTKM ensures that stakeholders engagement efforts are prioritized effectively, fostering transparency, collaboration, and informed decision-making.

The following are engagement channels normally used with each of the stakeholder groups:

Stakeholder Group	Quadrant	Engagement Methods
Consumers	Communicate	LTKM official contact, email & website Online feedback form on official website Media advertisement Market survey & promotional roadshow
Shareholders and Investors	Engage	Annual General Meeting Bursa Announcements Investor relations Annual Report Quarterly Report Information & Updates on official website Media release
Employees	Engage	On the job Structured and non-structured meeting Internal and external training Periodic performance review One to one session
Suppliers	Communicate	Business meeting Direct negotiation Market survey
Government and Regulators	Engage	Training and seminar Investor relations Face to face meetings Farm visitation and regular audit Onsite briefing by the Fire & Rescue Department ("BOMBA") and Malaysia Civil Defence Force ("APM") Periodic report submission
Industry Players	Communicate	Federation of Livestock Farmers' Associations of Malaysia Selangor Livestock Farmers' Association
Community	Communicate	CSR project Contribution in cash and kind
Media	Inform	Press release

Through these structured engagement channels, LTKM ensures that stakeholder perspectives are integrated into decision-making processes, reinforcing accountability, trust, and sustainable business growth

OUR SUSTAINABILITY APPROACH
cont'd

OUR GOVERNANCE

LTKM's governance structure is designed to ensure strong accountability and effective oversight of our sustainability performance. Our Governance structure stretches from top down to the daily workers i.e. from the Board of Directors, Audit & Risk Management Committee ("ARMC"), to senior management and down to workers of all categories.

The Board of Directors holds overall responsibility for driving sustainable development across the Group by ensuring that sustainability principles are integrated into our business practices and implemented responsibly. The ARMC assesses risk and directs the Company's resources to areas of need. Senior management oversees the day-to-day operations of the farm and supports the Board by identifying material issues, formulating strategies, and executing and monitoring all aspects of our sustainability initiatives. They are also responsible for setting performance targets and developing action plans to meet the Group's sustainability goals.

Employees across all levels are assigned specific responsibilities aligned with these action plans, which are embedded into their day-to-day roles and responsibilities. This structured, organisation-wide approach ensures that everyone plays a role in advancing LTKM's sustainability objectives.

Governance Structure for Sustainability

Role	Responsibilities
Board of Directors	• Drives sustainable development across the Group • Ensures integration of sustainability and climate-related risk considerations into business planning
Audit & Risk Management Committee	• Assesses risks and directs management resources toward key sustainability areas • Conducts audit activities with the support of internal and external auditors to ensure adequate controls are in place
Senior Management	• Develops and implements sustainability initiatives endorsed by the Board • Carries out materiality assessments, strategy formulation, and performance monitoring
Employees	• Execute sustainability practices in day-to-day operations • Uphold organisational standards and support continuous improvement

LTKM takes the view that strategic management of sustainability matter requires both strategic oversight and practical implementation in daily operations. While our Board and management team establish policies, procedures and long-term sustainability goals, these commitments are carried out through the day-to-day activities of employees across the farm, routinely monitored by the management and periodically reviewed at the Board level.

OUR SUSTAINABILITY APPROACH
cont'd

OUR GOVERNANCE *cont'd*

The Board reviews sustainability issues periodically to ensure sustainability risk management priorities are aligned with internal as well as external happenings from time to time.

Sustainability Matters Reviewed at Board Level (FY2024 – FY2026)	
Date	**Review**
26 February 2026	Sustainability Matter – Anti Corruption & Bribery Management
27 November 2025	Sustainability Matter in Operations – Foreign Exchange Risk & Export Sales
26 February 2025	Sustainability Matter in Distribution Network – Export Sales
27 November 2024	Sustainability Matter in Operations – Foreign Exchange Volatility Impact
21 August 2024	Sustainability Matter in Operations – Supply Chain Risk
28 November 2023	Sustainability Matter in Workforce & Community
18 August 2023	Sustainability Matter in Operations – Bio security, Waste & Environmental Management

Board and Senior Management Competencies

Those entrusted with ESG matters receive continuous trainings to ensure competency is adequate for the Company particularly those on the day-to-day job of sustainability execution and management. In addition, key senior management and Board members attend essential trainings on ESG carried out by accredited bodies to ensure ESG compliance and reporting are properly adhered to. All Board members have attended the Mandatory Accreditation Programme ("MAP") Part II – Leading for Impact which aims to provide directors with the foundation to address sustainability risks and opportunities effectively, and have better oversight over their companies' material sustainability matters.

FY2024 – FY2026

Structured Training on ESG Reporting Compliance carried out by accredited bodies attended by the Company representatives

Date	Review
4 February 2026	IFRS S1 and S2: The Essentials
6 February 2025	IFRS S1 and S2: The Essentials
6 November 2024	ESG Evolution
16 July 2024	IFRS S1 & Reporting, Management & Value Creation

MAP Part II – Leading for Impact – Attended by Members of the Board of Directors

22 & 23 August 2023	Kenny Tan Kah Poh
9 & 20 September 2023	Choo Seng Choon
6 & 7 November 2023	Mok Kam Loong
26 & 27 February 2024	Datuk Tan Kok & Tan Chee Huey
28 & 29 February 2024	Datin Lim Hooi Tin & Loh Wei Ling

OUR SUSTAINABILITY APPROACH
cont'd

OUR MATERIAL SUSTAINABILITY MATTERS

We have so far looked at LTKM's sustainability approach — from strategy setting and stakeholder engagement to governance. We now turn to Material Sustainability Matters which have been identified through the above sustainability approach that shape LTKM's sustainability priorities and actions.

LTKM identifies its material sustainability issues after a structured and rigorous assessment process. This process evaluates both the relevance of each issue to our core business operations and its potential impact on a wide range of internal and external sources including shareholders, employees, customers, suppliers, regulators, local communities, board and committees, regulatory requirements and guidelines, emerging trends and topics, industry standards and probable impacts from ongoing geopolitical changes, if any.

Our assessment considers **multiple dimensions**, including **operational risk, regulatory compliance**, **reputational impact**, and **long-term value creation**. By systematically analyzing these factors, we ensure that the topics we prioritize are those that could significantly influence business performance, stakeholder decisions, and societal outcomes.

Stakeholder engagement plays a central role in materiality setting process. Insights gathered from dialogue with internal and external stakeholders - through consultation and feedback mechanisms – provide LTKM input to help understand expectations, identify emerging risks, and refine our sustainability priorities.

LTKM's Process of Identifying Material Issues

OUR SUSTAINABILITY APPROACH
cont'd

OUR MATERIAL SUSTAINABILITY MATTERS cont'd

The outcome of this materiality assessment guides our ESG strategy, informing decision-making, resource allocation, and disclosure practices. By focusing on the most significant sustainability matters, we ensure that our actions are both responsible and impactful, driving long-term resilience and shared value creation. As a result of the materiality assessment which is carried out and reviewed continuously - LTKM's **Material Sustainability Issues** are categorised into 3 areas for management focus:

Area 1: Core Operation Areas
1. Bio-Security
2. Product Safety & Quality
3. Supply Chain

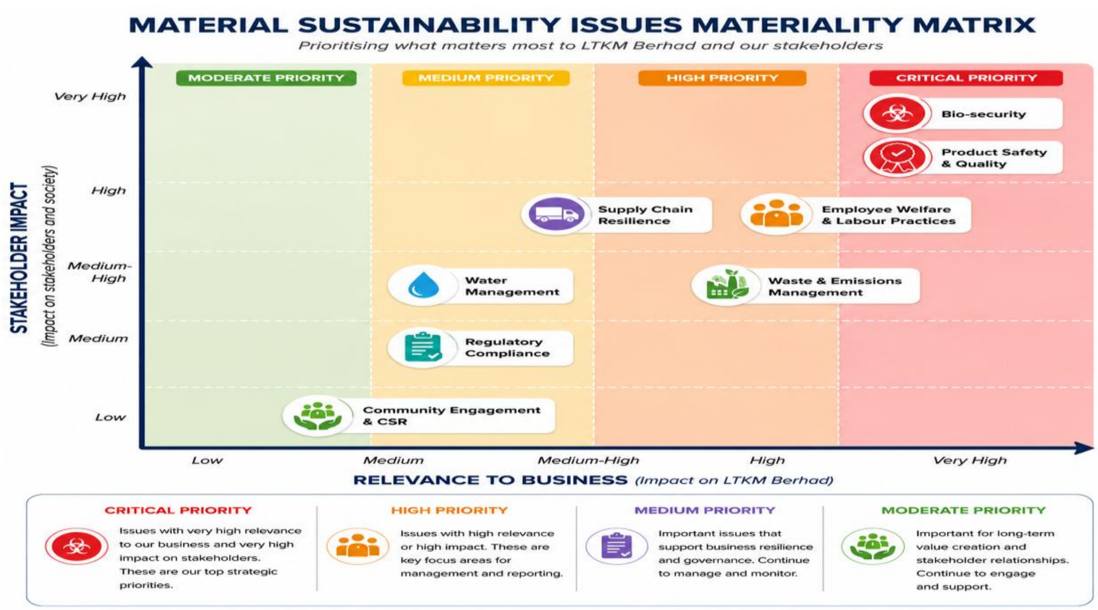
Area 2: Environmental Management
1. Waste Management
2. Water Management
3. Energy Management

Area 3: People & Governance
1. Employees' Welfare & Labour Practices
2. Community & Society
3. Business Ethics & Anti-Corruption

Materiality Matrix

LTKM's materiality matrix visually represents the sustainability issues that are most significant to our business and stakeholders. Issues are assessed based on two dimensions:

- **Relevance to LTKM's Business Operations** – The extent to which an issue affects operational performance, financial results, risk exposure, and strategic priorities.
- **Impact on Stakeholders** – The degree to which stakeholders consider an issue important for decision-making, trust, and engagement.



OUR SUSTAINABILITY APPROACH
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OUR MATERIAL SUSTAINABILITY MATTERS *cont'd*

Key Material Sustainability Issues & Prioritisation:

Issue	Relevance to Business	Stakeholder Impact	Management Focus
Bio-security	Very High	Very High	Bird health program, good farm practices, monitoring and reporting standards
Product Safety & Quality	Very High	Very High	Strict production quality control, regular audits, supplier quality monitoring
Supply Chain Resilience	High	Medium	Supplier diversification, source sustainability, risk assessments, contingency planning
Waste & Emissions Management	High	Medium-High	Waste treatment and recycling programs, energy efficiency initiatives
Water Management	Medium-High	Medium-High	Supply from artesian wells, efficient usage, wastewater treatment systems
Community Engagement & CSR	Medium	Low	Social programs, local partnerships, education initiatives
Regulatory Compliance	Medium-High	Medium	Compliance audits, reporting, certifications
Employee Welfare & Labour Practices	High	High	Equal employment opportunities, provision of workers accommodation, freedom from harassment, fair & timely remuneration

This matrix allows LTKM to focus resources on areas that are both strategically critical and high valued by stakeholders, ensuring that our sustainability efforts create meaningful impact and long-term value.

In the ensuing pages, we shall cover each material sustainability matter in LTKM and their management in terms of Governance, Strategy, Risk Management and Key Metrics or indicators.

MATERIAL SUSTAINABILITY MATTERS

AREA 1 – CORE OPERATION AREAS

1. Bio-Security

Why It Matters

Bio-security is prioritized at the top of LTKM's sustainability matrix, as our operations rely primarily on layer chickens, which are living organisms. A bio-security breach could materially disrupt operations, compromise livestock health, increase costs, and severely affect the Group's short-term to long-term financial performance. A disease outbreak can dismantle the Group's production flow for an indefinite period of time depending on the severity and spread of the outbreak. The effect is not only loss of revenue but also write-offs of livestock valuation.

1.1 Governance

Senior Management is responsible for designing and executing bird health program and bio-security processes and controls, monitoring compliance, and ensuring alignment with veterinary regulations issued by the Department of Veterinary Services (DVS) Malaysia. This role is mainly taken up by LTKM's veterinary department. The in-house veterinarian and trained operational supervisors play a critical governance role through continuous monitoring, incident reporting, and providing expert input for risk assessments and outbreak-prevention planning. These governance processes ensure that bio-security risks are fully integrated into operational decision-making, capital planning, and emergency-response procedures.

1.2 Strategy

➢ Material Risks

LTKM has identified biosecurity as a **material sustainability-related risk** that could be expected to affect the Group's financial performance, position, and future prospects over the **short to long term**. This risk primarily arises from the following factors:

- **Disease Outbreaks**
  The emergence or spread of infectious diseases (including new or highly pathogenic strains of Avian Influenza) may result in elevated flock mortality, loss of biological asset value, production disruptions, mandatory culling, and temporary or prolonged operational shutdowns.
- **Bio-hazard Exposure**
  Exposure to biological hazards arising from manure handling, airborne contaminants, or waterborne pathogens may impact animal health, worker safety, environmental compliance, and surrounding communities.
- **Production Disruption**
  Disease-control measures, quarantine requirements, or regulatory movement restrictions may delay or interrupt the production and distribution of products, affecting production schedules and customer fulfilment.
- **Increased Operating Costs**
  Heightened biosecurity requirements may lead to increased expenditure on vaccination programs, veterinary surveillance, testing, sanitation, disinfection, and enhanced monitoring and compliance systems.

Disease control is highly challenging to manage, making it a very critical risk for the operation. These risks have the potential to adversely disrupt production continuity and business continuity if for example - disease outbreak in the farm happens in a large scale.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

1. Bio-Security (cont'd)

1.2 Strategy (cont'd)

➢ Opportunities

In response to identified material sustainability-related risks, including biosecurity risks, LTKM has identified and leveraged a range of opportunities that strengthen operational resilience, enhance risk management effectiveness, and support long-term value creation. These opportunities include:

- **Technology Adoption in Design**
  The use of advanced farming design, including advanced multi-deck housing systems improves environmental control, productivity, and biosecurity outcomes while supporting efficient operations. For example, LTKM's multi-deck chicken housing are installed with high grade cooling pads for natural cooling and environmental control to provide optimal climate for better productivity.
- **Automation to Reduce Human–Bird Interaction**
  Increased automation across feeding, egg collection, cleaning, and monitoring processes reduces reliance on manual intervention and limits human–bird contact, thereby lowering disease-transmission risk and improving operational consistency and cost efficiency. LTKM invests in high technology egg grading and sorting which can reach up to 4,000 trays of eggs per hour with higher accuracy.
- **Enhanced Bird Health Practices and Monitoring Technologies**
  Investment in comprehensive veterinary programs, preventative health practices, and continuous monitoring technologies enables early identification of health issues, faster response to emerging risks, and reduced impact of disease-related events.
- **Strong Product Safety and Biosecurity Controls**
  Robust Product safety systems, hygiene protocols, and traceability controls support regulatory compliance, protect product integrity, and reinforce customer and stakeholder confidence, while reducing the likelihood and financial impact of biosecurity incidents.


These opportunities support LTKM's ability to manage sustainability-related risks effectively and contribute positively to the Group's financial performance, operational continuity, and long-term prospects.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

1. Bio-Security (cont'd)

1.2 Strategy (cont'd)

➢ Effects on Business Model and Value Chain

Biosecurity risks have a direct and significant influence on the stability and resilience of LTKM's integrated poultry value chain. To safeguard operational continuity and protect long-term value creation, LTKM embeds biosecurity as a core component of its business model and day-to-day operations through the following measures:

- **Closed-House Production Systems**
  LTKM uses closed-house poultry housing designed to optimise hygiene, environmental control, and physical isolation, reducing exposure to external biological threats.
- **Chicken Houses Compartmentalisation**
  Physical and operational segregation between poultry houses to limit cross-contamination and contain potential disease events.
- **Mandatory Disinfection and Access Controls**
  In place at LTKM's farm are strict biosecurity protocols for employees, vehicles, contractors, and visitors, including compulsory disinfection procedures and controlled site access.
- **Comprehensive Flock Health Management**
  The Farm has in place rigorous flock health programmes incorporating preventative immunisation, continuous mortality tracking, and veterinary oversight to enable early detection and rapid response. This system is managed by qualified veterinarian and team.

Collectively, these measures support **undisrupted production**, **regulatory compliance**, and **consistent product quality**, thereby strengthening the resilience of LTKM's value chain and supporting its financial performance and long-term prospects.

1.3 Risk Management Process

➢ Risk Identification and Assessment

LTKM employs a proactive and systematic approach to identifying and assessing biosecurity risks. This is achieved through continuous daily operational surveillance, scheduled veterinary inspections and diagnostic testing, regular monitoring of regulatory and industry developments, and structured internal audits. These processes enable early detection of potential biosecurity threats and ensure timely risk mitigation.

➢ Controls and Monitoring

LTKM maintains a comprehensive, multi-layered biosecurity framework designed to prevent, control, and monitor biological risks across all operations. Key control measures include:

1. **Farm Layout & Infrastructure Design**
   Fully enclosed housing systems with controlled ventilation and climate regulation, supported by routine cleaning and disinfection protocols to limit pathogen entry and spread. Chicken houses are sparsely laid out over the 450 acres farm as a measure of any disease outbreak control.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

1. Bio-Security (cont'd)

1.3 Risk Management Process (cont'd)

➢ Controls and Monitoring (cont'd)

LTKM maintains a comprehensive, multi-layered biosecurity framework designed to prevent, control, and monitor biological risks across all operations. Key control measures include (cont'd):

2. **Perimeter Security and Pest Control**
   Secure perimeter fencing combined with an integrated rodent and pest management program to reduce vectors of disease transmission.
3. **Access Control and Personnel Hygiene**
   Strict entry and movement controls for all personnel and visitors, including mandatory foot dips, personal protective equipment (PPE), and hygiene compliance procedures.
4. **Vehicle Biosecurity Management**
   Controlled vehicle access with mandatory cleaning and disinfection prior to entry to prevent cross-contamination between sites.
5. **Waste and Manure Management**
   Structured manure management practices, including alternate-day removal, to minimise ammonia and gas build-up, reduce pathogen loads and maintain optimal environmental conditions.

These controls are subject to ongoing monitoring, performance review, and continuous improvement to ensure alignment with best-practice biosecurity standards and regulatory requirements.

➢ Continuous Improvement

LTKM adopts a structured and continuous improvement approach to biosecurity management, ensuring that controls remain effective, current, and aligned with best-practice standards. Enhancements are driven by operational data, internal audit findings, and emerging biosecurity risks, and are implemented through:

- Ongoing investment in **automation systems** to reduce manual intervention and improve consistency.
- Installation of **surveillance and cctv monitoring systems**, placed at critical and strategic locations across the farm.
- **Continuous workforce training and competency development**, reinforcing biosecurity protocols, compliance obligations, and individual accountability.

This approach supports a culture of prevention, learning, and continuous risk reduction across all operations.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

1. Bio-Security (cont'd)

1.4 Performance Metrics

LTKM tracks biosecurity performance using a defined set of quantitative and qualitative KPIs to enable timely management oversight and informed decision-making:

Quantitative KPIs:

✓ **Flock Mortality Rate**
The Group monitors flock mortality rate as a key indicator of animal health, farm management effectiveness and biosecurity performance. The mortality rate is measured as the percentage of birds lost during a production cycle relative to the total flock population placed. Trends in mortality rates are analysed by farm, production stage and cause of death to identify emerging health risks, operational inefficiencies or disease outbreaks. A consistently low mortality rate indicates effective disease prevention, environmental management and animal welfare practices.

✓ **Biosecurity Non-Compliance Findings**
The Group tracks the number, severity and recurrence of biosecurity non-compliance findings identified through internal audits, inspections and veterinary assessments. Findings may include failures in disinfection procedures, access-control breaches, inadequate personal protective equipment compliance, pest-control deficiencies or incomplete documentation. The severity classification enables management to prioritise corrective actions, while recurrence rates indicate the effectiveness and sustainability of remediation measures. Monitoring these findings supports continuous improvement of operational controls and reduces the risk of disease transmission.

✓ **Disease Outbreak Incident**
The Group records confirmed disease outbreak related incidents, including suspected outbreaks verified through laboratory testing, veterinary diagnosis or regulatory notification. Near-miss events, such as suspected infections contained before widespread transmission, are also monitored to strengthen preventive controls and emergency preparedness. Tracking both actual incidents and near misses enables the Group to evaluate the effectiveness of surveillance systems, response protocols and containment measures.

Flock Mortality Rate	Bio-security Violation No.of Incident	Disease Outbreak No. of Incident
0.018%	**Nil**	**Nil**
2025: 0.017%	2025: Nil	2025: Nil
2024: 0.016%	2024: Nil	2024: Nil

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

1. Bio-Security (cont'd)

1.4 Performance Metrics (cont'd)

LTKM tracks biosecurity performance using a defined set of quantitative and qualitative KPIs to enable timely management oversight and informed decision-making (cont'd):

Qualitative KPIs:

The Group monitors biosecurity performance through operational indicators that assess the effectiveness of cleaning, sanitation, access control and disease surveillance across its production houses. These indicators support the management of animal health, production continuity and Product safety risks.

1. **Cleaning, sanitisation and disinfection of chicken houses**
The Group tracks and monitors the cleaning of chicken houses to ensure that each house is fully cleaned, sanitised and disinfected after moving out of old batch and before the commencement of a new batch. This practice supports biosecurity, animal health, product quality and operational continuity, and forms part of the Group's management of material sustainability risks and opportunities.

2. **Disease testing and veterinary diagnostics**
The Group monitors the frequency, scope and results of disease testing conducted during the reporting period. This includes routine surveillance, laboratory testing, veterinary diagnostics and follow-up actions where required. The results provide early-warning information on animal health risks and support timely intervention, treatment, isolation or escalation measures.

INDICATOR	2026 / 2025 / 2024
Frequency of Disease Testing (per year)	• **MONTHLY** : ❶ Rapid Whole Blood Test (RWBT) ~ self regulated test to test if any presence of Salmonella in our birds. ❷ Salmonella isolation & serotyping for chick organs & environmenatal samples (test by MyLAB Diagnostics). ❸ Drinking Water Analysis (test by MizuLab). • **EVERY 3 MONTH ONCE** : ❹ Salmonella isolation & serotyping for Feed , Drinking Water & Egg (test by MyLAB Diagnostics).
Frequency of Chicken House Cleaning (per cycle/per year)	• **Once** : Full cleaning (including disinfection)~ BEFORE new birds placement. • **Daily (routinely)** : for occupied house (for example sweeping floor,clearing dust , footdip). • **Every 2 days** : Scoop out the chicken dung. • **Once a month** : Cleaning the exhaust fans. • **2 month once** : Cleaning the cooling pads. • **Once** : Full cleaning (including disinfection & maintanance~ AFTER completion of spent hen sales.

KPIs are reviewed regularly by management to identify trends, emerging risks, and opportunities for further control enhancements.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

2. Product Safety & Quality

Why It Matters

Product Safety & Quality is a material sustainability matter because it directly affects customer satisfaction, brand reputation, regulatory compliance and the Group's ability to continuously generate revenue. As a major egg producer, LTKM relies on consistently delivering safe and high-quality products for its brand sustainability.

Maintaining high product quality begins with stringent control over the entire production process, including feed quality, poultry health, biosecurity, egg handling, grading, storage and distribution. These activities are closely interconnected, and any failure within the value chain may affect product integrity, operational continuity and brand reputation.

Furthermore, increasing consumer awareness of food safety, nutrition and product traceability has heightened stakeholder expectations for responsible farming practices and consistent product safety and quality. Effective management of product safety and quality therefore enables the Group to strengthen customer confidence, protect its brand, maintain regulatory compliance and support sustainable long-term value creation.

2.1 Governance

The Board of Directors oversees sustainability-related risks and opportunities relating to product safety and quality, consumer trust and brand integrity. Senior Management is responsible for implementing the Group's policies on product, marketing, customer service and continuous improvement across LTKM's products' value chain.

Operational governance includes documented processes for livestock's feed quality testing, poultry health monitoring and egg handling hygiene. Incoming raw materials testing and oversight, quality assurance procedures at our feed mill and egg collection and grading facilities ensure that Product safety considerations and consumer expectations are integrated into operational decisions.

2.2 Strategy

➢ Material Risks

The Company has identified the following material sustainability-related risks that could reasonably be expected to affect its financial performance, position, and future cash flows in accordance with **IFRS S1** and **IFRS S2** requirements:

- **Quality & Safety Risks**
  The Company faces risks associated with Product safety and product quality arising from potential contamination of animal feed, improper storage conditions, or inadequate handling practices during production and distribution. Failure to maintain stringent quality controls could result in Product, regulatory penalties, financial losses, and adverse impacts on consumer health and brand trust.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

2. Product Safety & Quality *(cont'd)*

2.2 Strategy (cont'd)

➢ Material Risks *(cont'd)*

The Company has identified the following material sustainability-related risks that could reasonably be expected to affect its financial performance, position, and future cash flows in accordance with **IFRS S1** and **IFRS S2** requirements (cont'd):

- **Reputational Risks**
  Any decline in product freshness, quality, or safety may negatively affect the Company's reputation and brand value. Reputational damage could reduce consumer confidence, weaken market positioning, and adversely impact revenue in the longer term.
- **Customer Satisfaction and Complaint Management Risks**
  The Company faces risks related to customer dissatisfaction if complaints are not addressed promptly or if customer expectations regarding product quality, availability, or service are not met. Ineffective complaint handling may lead to loss of customer loyalty, negative publicity, and potential regulatory scrutiny.

➢ Opportunities

The Company has identified the following sustainability-related opportunities that may enhance long-term enterprise value and support resilient financial performance in line with **IFRS S1** and **IFRS S2**:

- **Product Differentiation and Value Creation**
  The use of **100% natural feed** and **omega-3 enrichment** provides strong product differentiation, enabling the Company to meet growing consumer demand for healthier and more sustainable Product products. This differentiation supports premium pricing potential and long-term revenue growth.
- **Enhanced Market Positioning**
  The continued development and promotion of **LTK Omega Plus** strengthens the Company's market positioning by reinforcing its value proposition around quality, nutrition, and sustainability. This enhances brand visibility and competitiveness within the premium segment.
- **Consumer Trust and Brand Loyalty**
  Transparent communication on sourcing, nutrition, and production practices, combined with proactive consumer engagement, presents an opportunity to strengthen consumer trust. Higher levels of trust can improve customer retention, brand equity, and resilience against reputational risks.
- **Operational Control and Product Quality**
  In-house feed mixing enhances control over feed quality, freshness, and traceability. Improved operational oversight supports consistent product quality and mitigates Product-safety risks while improving overall supply-chain efficiency.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

2. Product Safety & Quality (cont'd)

2.2 Strategy (cont'd)

➢ Effects on Business Model and Value Chain

Product quality and consumer satisfaction are central to **LTKM's vertically integrated value chain** and underpin the resilience and sustainability of the Company's business model. The integration of production stability, sales and marketing efforts, customer engagement and product quality enables effective control over LTKM's brand trust and reputation amongst consumers.

❖ Raw Materials Sourcing and Quality Selection

LTKM's Product safety value chain begins with stringent raw material management practices designed to ensure quality, safety, purity and nutritional feed for the livestocks:

- Implementation of strict sourcing protocols for quality and trusted raw materials sources.
- Stringent handling of raw materials at farm to reduce mis-handling and risk of feed contamination during feed formulation.
- Proactive sampling and safety testing to ensure compliance with Product-safety standards.
- In-house feed mixing processes that enhance control over formulation quality, feed purity and freshness.

These measures mitigate Product-safety risks and support consistent downstream product quality and safety.

❖ Poultry Health and Egg Quality

Strong poultry health management is essential to producing quality eggs:

- Veterinary-led poultry health management to ensure animal welfare and stable production performance.
- Production of omega-3 enriched eggs through the use of industrial salmon fish oil and linseed oil, supporting product differentiation and nutritional value.
- Minimising manual handling, reduce contamination risks, and preserve egg freshness via use of technology such as conveyor belts system for eggs collection.

These practices strengthen production reliability while aligning quality outcomes with consumer expectations at our farm in Durian Tunggal, Melaka.

❖ Customer Interface and Engagement

Through our Marketing team, LTKM maintains direct engagement with consumers to reinforce trust and brand credibility:

- Operation of a consumer hotline via LTKM's official website, email and telephone to ensure timely complaint handling and feedback resolution.
- Roadshows and promotional activities to educate consumers on product quality, nutrition, and sustainability attributes; from time to time.
- Distribution of product information pamphlets to enhance transparency and informed purchasing decisions.

Our efforts for effective customer engagement are aimed to support satisfaction, loyalty, and reputational resilience amongst the Malaysian market as well as our Singaporean customers.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

2. Product Safety & Quality (cont'd)

2.3 Risk Management Process

The Company has established structured risk management processes to identify, assess, manage, and monitor sustainability-related risks across its operations and value chain which can affect eggs safety and quality as a Product source.

➢ Risk Identification and Assessment

Sustainability-related risks are identified and assessed through a combination of operational controls and stakeholder feedback mechanisms, including:

- Regular feed sampling and laboratory testing to detect contamination or quality deviations.
- Ongoing livestock health monitoring to identify potential animal-welfare or production risks.
- Routine hygiene and facility inspections across production and handling processes at the farm.
- Analysis of customer feedback and complaint data to identify emerging product or service risks from market surveys conducted.
- Continuous supply-chain evaluation to assess sourcing dependencies, supplier performance, and disruption risks.

These processes enable early identification of risks that could affect product quality, Product safety, and consumer trust.

➢ Controls and Monitoring

The Company implements layered controls and monitoring mechanisms to address the risks:

1. **Feed Safety Controls**
    - Laboratory testing of feed ingredients and finished feed.
    - In-house feed mixing to maintain control over composition, purity, and freshness.
2. **Production Controls**
    - Veterinary supervision of poultry health and welfare.
    - Automated egg-handling and conveyor systems to minimise manual handling, contamination risk, and product damage.
3. **Consumer Controls**
    - Systematic tracking and analysis of consumer complaints.
    - Consumer information outreach through educational materials and engagement activities.
    - Feedback loops to ensure issues are addressed and lessons learned are incorporated into operations.

➢ Continuous Improvement

The Company adopts a continuous improvement approach to sustainability-related risk management. Insights from consumer feedback, internal and external audit outcomes, regulatory developments, and market trends are systematically reviewed and incorporated into:

- Quality control on raw materials, feed and product safety practices.
- Engagement and communication strategies with customers.
- Refinements to product-handling, hygiene, and operational protocols.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

2. Product Safety & Quality (cont'd)

2.3 Risk Management Process (cont'd)

➢ Continuous Improvement *(cont'd)*

This continuous improvement framework strengthens LTKM's ability to adapt to evolving risks and supports long-term operational resilience.

2.4 Metrics and Targets

The Company monitors product safety and quality performance through a set of quantitative and operational metrics. Key metrics are used to assess product quality, customer satisfaction and Product safety controls.

The number of customer complaints received measures customer satisfaction and highlights potential issues relating to product quality or service standards. The frequency of laboratory testing for raw materials indicates the consistency of quality control measures used to manage feed quality and Product safety risks. These testings are used as quality controls as continuous quality feedback to suppliers ensures quality reliability for each shipment. Egg breakages, measured as a percentage of production volume, reflect operational efficiency at the production level, after adjusting for plant utilisation levels.

Number of Customer Complaints	Number of Feed Laboratory Test Conducted	% of Product Breakages
Zero	**58**	**0.97%**
2025: Zero	2025: 87	2025: 1.37%
2024: Zero	2024: 76	2024: 1.69%

- Receives management reporting on key supply-chain performance indicators, including suppliers' product laboratory tests outcomes, critical supplier concentration and local procurement ratios.

3. Supply Chain Risks

Why It Matters

Supply Chain Management is a material sustainability matter for LTKM because the quality, safety and reliability of inputs—feed raw materials, packaging, veterinary supplies, and outsourced logistics—directly affect operational continuity, Product safety, product quality, and the Group's cost structure. As our value chain is concentrated at a single 450-acre location, disruptions or quality failures from suppliers can meaningfully impact our prospects over the short, medium and long term.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

3. Supply Chain Risks (cont'd)

3.1 Governance

The Board of Directors provides oversight of supply chain–related risks and opportunities as part of its broader responsibility for risk management and business resilience. Specifically, the Board:

- Reviews supply chain risk exposure as part of day-to-day procurement process, including raw-material sourcing risks, supplier compliance, price volatility and major geopolitical developments which affect commodity prices and sea routes for shipment.

➢ Management Responsibility

Day-to-day responsibility for supply chain management rests with the farm's Procurement Management Team, which is accountable for implementing supplier controls and maintaining continuity of supply. Key responsibilities include:

- Overseeing supplier quality, certification status and compliance with Product-safety and biosecurity requirements.
- Implementing procurement controls such as mandatory supplier vetting, risk-based supplier classification, periodic performance reviews and escalation protocols for non-compliance or delivery risks.
- Optimum and safety level inventory management to ensure no production disruption whilst minimising working capital costs; which becomes challenging in a volatile commodity market that is impacted by many factors such as climate changes (crop yields) and/or geopolitical conditions (supply, shipment costs and foreign currency exchange).

3.2 Strategy

➢ Material Risks

LTKM's strategy recognises that supply chain resilience is critical to safeguarding production continuity and cost stability. The most significant supply chain–related risks include:

- **Input quality and safety risk**, particularly for raw materials, day-old-chicks, veterinary supplies, which could affect livestock sustainability, health and product integrity.
- **Supplier concentration risk**, given reliance on a limited number of trader-suppliers for critical inputs such as imported commodity-based raw materials.
- **Price volatility risk**, especially for commodity-based feed ingredients which are a major margin component.
- **Logistics disruption risk**, including transportation delays or third-party service failures and sea routes affected by geopolitical events and developments.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

3. Supply Chain Risks (cont'd)

3.2 Strategy (cont'd)

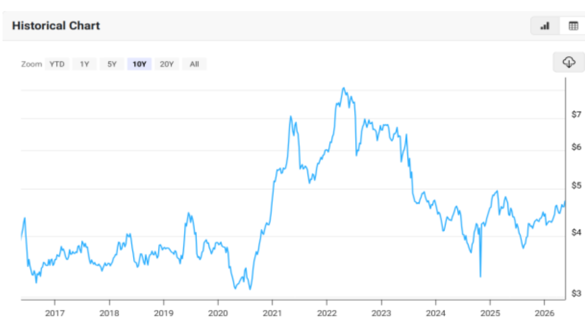
➢ Opportunities

On the flip side the above risks also present opportunities for LTKM to strengthen resilience, enhance product positioning and improve long-term value creation through effective management.

- **Input quality and safety risk** highlights the opportunity to strengthen raw-material source selection based on quality as well as input differentiation. Enhanced control over feed and veterinary inputs supports consistent egg quality, improved Product-safety assurance and input differentiation allows LTKM to offer premium or value-added product offerings such as our LTK Omega Plus eggs.
- **Supplier concentration risk** creates an opportunity to diversify the supplier base and develop alternative sourcing arrangements. This can improve supply continuity, increase procurement flexibility and strengthen negotiating leverage with suppliers over time.
- **Price volatility risk** provides opportunities to procure at price dips. This measure can improve profitability, reduce margin volatility and support more efficient working capital management.

➢ Major Raw Materials Factor

Over the past five years, supply chain risks have intensified due to prolonged and heightened volatility in global commodity prices driven by global pandemic, geopolitical tensions, inflationary pressures, energy market disruptions, currency fluctuations, and post-pandemic supply-demand imbalances. Rising and unpredictable costs of key commodities, fuel, raw materials, and transportation have created challenges in procurement planning, budgeting, and operational cost management. These fluctuations may result in increased production costs, delayed project delivery, margin compression, and reduced supply reliability if not managed proactively.



Corn USD per bushel

Soybean USD per bushel

source: https://www.macrotrends.net

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

3. Supply Chain Risks (cont'd)

3.2 Strategy (cont'd)

➢ Major Raw Materials Factor *(cont'd)*

Year-on year change in price of major raw materials at LTKM:

Corn	Soybean
-7%	**-23%**
2025: -12%	2025: -22%
2024: -19%	2024: -5%

Note: based on purchases incurred

However, for LTKM, the volatility has also created strategic procurement opportunities, enabling us to capitalise on market price dips. This approach has supported cost optimisation, improved procurement efficiency, and generated savings that ultimately benefited overall corporate performance. To further strengthen resilience, the organisation continues to sharpen sourcing strategies, enhance supplier engagement, and implement proactive cost and inventory management measures to improve supply chain stability and operational sustainability.

➢ Effects on Business Model and Value Chain

LTKM's business model is highly dependent on the reliability, quality and cost stability of key supply chain inputs. The most significant dependencies within the value chain include:

- **Day-old-chicks (DOC) supplies**, which is fundamental to sustaining flock replacement cycles, production continuity and long-term biological asset performance. The breed availability, genetic quality and health status of DOC directly influence laying performance, mortality rates, feed conversion efficiency and overall egg quality. Disruptions to DOC supply—whether due to biosecurity incidents, supplier capacity constraints or logistics delays—could lead to production gaps, higher costs and reduced output over both the short and medium term. Given the biological lead time required to bring replacement flocks into production, DOC supply disruptions cannot be readily mitigated in the short term, increasing the importance of forward planning and supplier reliability. As a result, DOC supply represents a **strategic upstream dependency** within the Group's value chain, alongside feed ingredients and veterinary inputs. Effective management of DOC sourcing supports flock health, operational stability and predictable production volumes, thereby underpinning LTKM's business model and long-term value creation.
- **Commodity based raw materials** namely corn, soybean and CPO, which represent the Group's largest cost component and are a critical determinant of flock performance, egg quality and Product safety.
  Veterinary supplies, which are essential to maintaining flock health and biosecurity.
- **Packaging and logistics**, which are critical to preserving product freshness, timely delivery and maintaining customer satisfaction.

Supply disruptions, quality failures or cost volatility of these inputs could materially impact production, operating margins and brand reputation.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

3. Supply Chain Risks (cont'd)

3.2 Strategy (cont'd)

➢ Strategic Responses

To manage supply chain–related risks and support the resilience of its business model, LTKM has implemented the following strategic responses:

- **Procurement contract optimisation**, including pricing and volume arrangements, stocking on market price dips and seasonal outlook to mitigate exposure to input price volatility.
- **Diversification of suppliers**, particularly for feed ingredients, to reduce reliance on single-source or import-dependent suppliers.
- **Position itself as preferred customer** via optimised payment and credit terms and ethical business conduct which also drives down costs of raw materials.
- Application of **strict raw-material testing and traceability controls** to safeguard input quality and Product safety.
- **Prioritisation of local suppliers** where feasible, to enhance supply continuity and reduce exposure to external disruptions.
- **Integration of supply chain sustainability risks** into business planning and operational decision-making processes.

3.3 Risk Management Process

LTKM identifies and assesses supply chain–related risks through its long-term industry knowledge, supplier reputation and outlook due to geopolitical changes. **LTKM also informally performs risk-based supplier scoring** which incorporate factors such as degree of dependency, historical quality performance, contract honour consistency and delivery reliability.

➢ Monitoring and Prioritisation

LTKM incorporates supply chain risks monitoring into its day-to-day processes on an ongoing basis, with enhanced oversight applied to higher-risk and critical suppliers. Monitoring activities include focus on contamination risks, storage conditions and transportation hygiene. LTKM practises i**mmediate rejection and escalation protocols** for substandard or non-compliant raw material quality.

➢ Integration with Enterprise Risk Management

Supply chain risks are managed as part of LTKM's enterprise risk management framework and are monitored alongside biosecurity and product quality risks due to their interconnected impacts on livestock health, Product safety and operational continuity. Material risks are escalated through established governance channels for review and mitigation.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 1 – CORE OPERATION AREAS *cont'd*

3. Supply Chain Risks (cont'd)

3.4 Metrics and Targets

- Key Metrics

LTKM uses local suppliers as much as practicable. Although major raw materials are foreign source as they are not available locally, LTKM engages local importers for most of its foreign-sourced materials. This creates higher local participation and strengthens local vendors wherever possible. Key metrics include:

Local suppliers engaged
100%
2025: 100%
2024: 100 %

Local supplies spend
48%
2025: 45%
2024: 43%

[1] Note – data is based on accounting system database

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT

1. Waste Management

Why It Matters

Solid waste management primarily of **chicken manure** generated from poultry farming operations is identified as a **material environmental sustainability matter**. This determination reflects both the scale of waste generated and its potential to create adverse environmental and social impacts if not managed responsibly. In line with Bursa Malaysia's Practice Note 9A, this matter is considered material as it reflects the Group's significant environmental footprint and may influence stakeholder perceptions, regulatory compliance and community relations.

From a climate-related perspective, manure management is also relevant under IFRS S2, as improper handling may contribute indirectly to greenhouse gas emissions (e.g. methane and nitrous oxide), reinforcing the importance of effective waste treatment and disposal practices.

This sustainability matter will continue to be monitored to ensure that mitigation measures remain proportionate to operational scale, regulatory expectations and stakeholder concerns, while supporting the Group's long-term environmental stewardship objectives.

1.1 Governance

The Board oversees environmental sustainability matters, including solid waste management, as part of the Group's sustainability governance structure. Management is responsible for implementing waste-handling processes, ensuring controls are in place to prevent environmental pollution, and monitoring compliance with internal policies and regulatory requirements. Responsibilities include oversight of risks arising from waste mismanagement and ensuring adequate competencies and resources are available to manage these risks.

1.2 Strategy

➢ Material Risks

The accumulation and handling of chicken manure present inherent environmental risks associated with routine operations. If inadequately managed, these risks may escalate into compliance, reputational and operational challenges.

Key impacts associated with improper manure management include:

- **Air quality degradation** arising from odour nuisance and emissions of ammonia and other gases, which may affect employee welfare and nearby communities.
- **Soil and water contamination** due to nutrient runoff or leaching, potentially impacting surrounding land quality and local water sources.
- **Pest and vector infestation**, such as flies and rodents, which may pose public health concerns and strain relationships with neighbouring communities.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

1. Waste Management (cont'd)

1.2 Strategy (cont'd)

➢ Opportunities

LTKM identified opportunities arising from effective waste management practices. Poultry waste is processed into saleable organic fertiliser, creating an additional revenue stream while reducing environmental impacts associated with waste disposal. The Company produces and markets this fertiliser under its "LTK Bio-fer" brand. This demonstrates how sustainability-related opportunities can create economic value from operational by-products.
Revenue generated from LTK Bio-fer fertilisers:
RM2.45 million
2025: RM2.23 million
2024: RM2.43 million

From an **opportunity perspective**, the conversion of raw manure into organic fertiliser supports **resource efficiency and waste-to-value initiatives**, contributing to improved environmental performance and more sustainable use of agricultural inputs. These initiatives align with climate-related opportunities associated with circular economy practices and more efficient waste management within the Group's value chain.

➢ Effects on Business Model and Value Chain

❖ Clean Poultry Farming Technology

To minimise environmental and health risks arising from manure accumulation, the Group adopts proactive waste handling practices at farm level:

- Chicken manure is **cleared every alternate day**, preventing excessive build-up that could lead to odour emissions, ammonia formation and other toxic gases.
- Collected manure is **immediately transported to the processing plant**, reducing the risk of odour nuisance, pest infestation and community disturbance.
- Invested in **in-house designed technology and processing plant** for waste treatment into by-product (as organic fertiliser sold under LTK Bio-fer trademark)

Waste Treatment Facilities	Capacity	Initial Investment (RM)
Fermentation System	3 units	1.4 million
Fertiliser Plant	14 units	2.0 million
Transparent House	4 units	1.5 million
Ammonia Gas Scrubbing	3 units	1.9 million

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

1. Waste Management (cont'd)

1.2 Strategy (cont'd)

➢ Effects on Business Model and Value Chain (cont'd)

❖ Organic Fermentation and Circular Resource Use

The Group applies a **circular economy approach** by converting waste into value-added products:

- Chicken manure undergoes an **organic fermentation process using beneficial microbes**, transforming it into organic fertiliser.
- This process eliminates the need for harmful chemical treatments and supports environmentally responsible waste treatment.

The Group reduces waste disposal risks, lowers environmental impact and generates **economic value from waste streams**.

❖ Waste Minimisation and Recycling

Waste reduction is embedded into daily operations through employee participation:

- Employees are encouraged to **reuse materials** such as containers, paper and boxes wherever feasible.
- **Recycling initiatives** are implemented to minimise non-organic waste sent for disposal.

This lowers waste volumes, reduced procurement needs and **cost savings**, while reinforcing environmental awareness across the workforce.

❖ Clean Disposal of Old Hens

To avoid environmental and biosecurity risks associated with on-site disposal, **live old hens are sold** rather than culled on-site.

This approach avoided investment to set up culling site & cold-storage and additional manpower, and significantly reduces waste generation, water usage and pest attraction, while ensuring leaner & cleaner operations and better hygiene control at farm facilities.

➢ Strategic Outcome

Collectively, these measures enable the Group to:

- Mitigate environmental and social risks associated with waste management,
- Improve operational efficiency and cost control, and
- Capture opportunities through circular resource use and sustainable farming practices.

This strategy supports the Group's resilience against sustainability-related risks and demonstrates a structured response in line with IFRS S1 strategy disclosures and the proportionality principles under Bursa Malaysia Practice Note 9A.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

1. Waste Management (cont'd)

1.3. Risk Management Processes

➢ Identification and Monitoring

Monitoring manure-related emission sources, including odour and ammonia generation, to prevent adverse impacts on employees, surrounding communities and the environment:

- **Routine inspections** are conducted on manure-handling processes and related infrastructure to ensure proper functioning, hygiene standards and compliance with internal operating procedures.

Reviewing performance indicators related to odour control and air quality, enabling management to evaluate the effectiveness of mitigation measures and drive continuous improvement.

- **Air quality** including ammonia levels, are monitored to detect potential odour and gas emission risks that may affect employee health and nearby communities.

In identifying and assessing climate-related risks and opportunities, including climate-related physical risks arising from organic waste decomposition:

- The Group performs periodic **monitoring of potential soil and groundwater contamination risks** arising from waste storage, handling and transportation activities.

These assessments consider the likelihood and severity of environmental impact, taking into account operational scale, site conditions and existing mitigation controls.

➢ Outcome and Continuous Improvement

From a **risk perspective**, the measures mentioned above reduce the Group's exposure to **climate-related physical risks**, particularly the intensification of odour emissions and gas accumulation during periods of elevated temperatures and changing weather patterns. Frequent manure clearance and the application of effective microorganisms lower the likelihood of heat-amplified emissions, while the prohibition of open burning mitigates air pollution risks and potential greenhouse gas emissions. Collectively, these practices also reduce **operational, regulatory and community-related risks**, including the risk of non-compliance with environmental regulations, workplace health and safety incidents, and community complaints.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

1. Waste Management (cont'd)

1.4. Metrics and Targets

The following indicators are used to monitor performance across poultry farming and waste processing operations:

- **Frequency of manure removal cycles**, reflecting the effectiveness of operational controls to minimise odour and gas accumulation;
- **Volume of manure treated using microbial technologies**, indicating the extent of waste treatment and conversion into organic fertiliser;
- **Number of odour-related complaints** received from employees or surrounding communities, serving as a proxy for environmental and social impact management;
- **Compliance with applicable environmental laws and regulations**, including the absence of enforcement actions, penalties or non-compliance incidents.

Indicators	FY2026	FY2025	FY2024
Frequency of chicken house cleaning	Every 2 days to transfer to fermentation plant for processing		

Dung volume cleared (tonne)	Volume of fertiliser sold (tonne)	Environmental Fines/Penalty
10,577	**10,127**	**Nil**
2025:8,930	2025: 8,513	2025: Nil
2024: 10,199	2024: 9,645	2024: Nil

Collectively, these metrics and targets enable stakeholders to assess the Group's performance in managing waste-related sustainability risks and opportunities, while supporting informed decision-making and long-term environmental stewardship.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

2. Water Management

Why It Matters

Water availability and quality are critical to the Group's poultry farming operations, as they directly affect livestock health, productivity and thermal comfort within chicken houses. The livestock thrives on clean and consistent supply of ample drinking water. Any imbalance in the water supply directly affects the health and productivity of the layers.

2.1 Governance

The Company's water management activities—including sourcing, in-house treatment, monitoring quality, and managing efficiency—are overseen through established operational governance structures. As water quality and availability directly influence livestock health, productivity and biosecurity, management integrates water-related sustainability matters into operational controls and continuous improvement processes. Periodic water sampling and external laboratory testing support internal oversight and quality assurance.

2.2 Strategy

➢ Material risks

The Group has identified the following **material water-related risks**, which may reasonably be expected to affect its operational continuity and cost structure over the short to long term:

- **Water quality risk**
  Inadequate water quality could adversely impact animal welfare, increase disease incidence and reduce livestock productivity, potentially leading to higher mortality rates and financial losses.
- **Operational continuity risk**
  Insufficient water volumes may disrupt daily farming activities, particularly drinking water supply and cooling systems, which are essential for maintaining optimal rearing conditions.
- **Climate-related physical risk**
  Changes in rainfall patterns and climate variability may affect groundwater recharge rates over time, potentially impacting the long-term sustainability of artesian well supply relied upon by the Group.

These risks are considered **climate-related physical risks** under IFRS S2, as they are linked to changes in hydrological conditions and water availability arising from climate variability.

➢ Opportunities

Despite operating within a water-intensive agricultural sector, the Group has identified opportunities to enhance **operational efficiency and resource resilience** through improved water management practices.

To manage water-related risks and strengthen operational resilience, the Group adopts a preventive and efficiency-focused approach, underpinned by the following measures:

- **Self-provision of water supplies**
  The Group maintains access to water through artesian wells, reducing reliance on external water sources and enhancing supply reliability.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

2. Water Management (cont'd)

2.2 Strategy (cont'd)

➢ Opportunities (cont'd)

To manage water-related risks and strengthen operational resilience, the Group adopts a preventive and efficiency-focused approach, underpinned by the following measures (cont'd):

- **In-house water treatment systems**
  On-site treatment processes are implemented to ensure a consistent supply of high-quality water suitable for livestock consumption, supporting animal health and productivity.
- **Operational efficiency practices**
  The Group sells old hens as live by-products rather than processing them on-site, thereby reducing water usage associated with cleaning and waste handling activities.
- **Enhanced biosecurity measures**
  Foot-dip disinfection systems are used to minimise the frequency of large-scale washing, reducing overall water consumption while simultaneously strengthening farm biosecurity controls.

These measures collectively support the Group's strategy to manage material water-related risks. For example, the use of inhouse water source through artisan well sets LTKM apart from other farm operations whilst reduces production cost.

➢ Effects on business model and value chain

Water is a critical input across the Group's poultry farming value chain, with primary usage concentrated at the farm-level operations. Key applications include:

- **Drinking water for livestock**, essential for growth, health and productivity; and
- **Cooling systems**, including cooling pads, used to regulate temperature within chicken houses and maintain animal welfare under varying climatic conditions.

Any disruption in water availability or quality could therefore have direct implications on production efficiency, animal welfare outcomes and overall farm performance, consistent with the business model and value chain considerations under IFRS S1 and IFRS S2.

2.3 Risk Management Process

The Company has established processes to **identify, assess, monitor and manage water-related risks**, recognising water as a critical operational input and a climate-related physical risk factor.

Water-related risks are managed through the following key processes:

- **Water quality monitoring**
  Regular monitoring is conducted through periodic water sampling and laboratory testing to ensure water quality remains suitable for livestock consumption. This supports animal health, productivity and compliance with internal biosecurity standards.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

2. Water Management (cont'd)

2.3 Risk Management Process (cont'd)

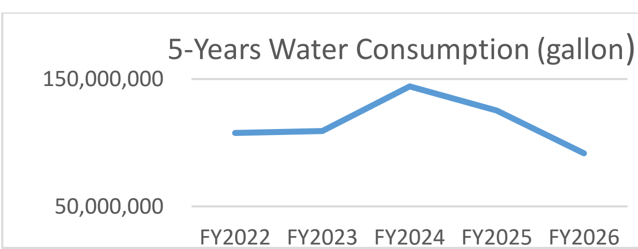
Water-related risks are managed through the following key processes (cont'd):

- **Operational monitoring of water consumption**
  Water usage trends are routinely tracked to identify abnormal patterns or inefficiencies. This enables early detection of potential leakages, process inefficiencies or excessive usage, allowing timely corrective action.
- **Integrated biosecurity controls**
  Biosecurity protocols, including controlled cleaning practices and foot-dip disinfection, are implemented not only to mitigate disease risks but also to reduce overall water consumption. These measures support both operational efficiency and risk mitigation objectives.

The above processes are **embedded within day-to-day farm operations** and contribute to the Company's ability to maintain operational continuity and resilience against **water-related and climate-related physical risks**, including potential variability in groundwater availability arising from climate conditions.

2.4. Metrics and Targets

Water consumption is tracked monthly. Below is the data for FY2024 to FY2026. In view of the stable farm capacity utilisation, the changes in water consumption from year to year is not expected to be significant. However, FY2026 recorded a drastic reduction of 27% which is not normal. Upon further investigation, it was discovered that there was incident of meter reading errors in the month of December 2025 due to faulty meter. The faulty meter was replaced in the subsequent month. Therefore, the trend as depicted in FY2026 data is not reliable due to the lapse in December 2025 and also use of a new meter from January 2026 onward. LTKM will continue to monitor the usage on monthly basis for a longer period of time to establish reliable data.



Water consumption (gallon)
91,708,540
2025: 125,304,960
2024: 144,235,300

Water consumption

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

3. Energy Management

Why It Matters

Electricity is a critical input across the Company's poultry farming operations, powering chicken houses, farm plants and essential machinery. Reliable electricity supply is necessary to support livestock welfare, particularly for ventilation, lighting and cooling systems that maintain optimal rearing conditions.

Energy use is considered a **material sustainability matter**, as it directly influences operational efficiency, cost structure and exposure to **climate-related physical risks**, particularly rising temperatures that increase cooling demand. Effective energy management therefore plays an important role in supporting the Company's operational resilience and financial performance, consistent with the disclosure principles set out under **IFRS S1 and IFRS S2**.

3.1. Governance

Energy management within the Company is overseen by a **certified energy consultant and a registered energy manager**, in accordance with the requirements of the **Energy Commission Malaysia (ECM)**.

Key responsibilities under this governance framework include:

- **Ensuring compliance with electrical safety and regulatory requirements**, in line with applicable energy management and safety standards;
- **Monitoring electricity consumption levels** against thresholds prescribed by ECM to ensure ongoing compliance and early identification of abnormal usage patterns; and
- **Recommending operational and technical improvements** to optimise electricity consumption and enhance energy efficiency across farming operations.

A **biannual reporting mechanism** is in place whereby energy consumption data, trend analyses and improvement recommendations are reviewed by the relevant internal committee and formally submitted to ECM. This reporting process supports regulatory compliance, strengthens internal oversight, and facilitates continuous improvement in energy performance.

The Company's structured approach to energy governance enhances transparency, accountability and operational resilience, and is aligned with the **governance disclosure principles under IFRS S1** and the management of **climate-related physical risks under IFRS S2**, particularly those associated with increased cooling demand due to rising temperatures.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

3. Energy Management (cont'd)

3.2. Strategy

➢ Material Risks

The Company is exposed to **climate-related physical risks** arising primarily from increasing ambient temperatures. Prolonged periods of hot weather elevate cooling requirements within chicken houses, resulting in:

- **Higher electricity consumption** to maintain livestock thermal comfort; and
- **Increased operating costs**, which may affect margins if sustained over the medium to long term.

These risks are directly linked to climate variability and rising temperatures, and are therefore considered material under IFRS S2 as they may reasonably be expected to affect the Company's operational efficiency and cost structure.

In addition to physical risks, the Company recognises several **climate-related transition risks**, including:

- **Rising stakeholder and regulatory expectations for energy efficiency**, which may require additional investment in systems and processes;
- **Potential changes in energy-related regulations or compliance thresholds**, which could increase administrative or capital expenditure requirements; and
- **Increasing electricity tariffs**, which may elevate operating costs and heighten sensitivity to energy consumption levels.

These transition risks are monitored as part of the Company's broader energy management and cost control framework, consistent with IFRS S2 requirements on identifying risks that could affect the Company's prospects.

➢ Opportunities

The Company has identified several **climate-related opportunities** that support operational resilience, efficiency improvements and cost optimisation:

- **Adoption of energy-efficient technologies**, including LED lighting and inverter-based air-conditioning systems, to reduce electricity consumption intensity;
- **Use of natural and passive cooling solutions**, such as artesian water supply and cooling pad systems, to moderate temperature impacts while managing energy demand; and
- **Employee awareness and behavioural conservation initiatives**, which promote prudent energy use and reinforce operational discipline across farming activities.

These opportunities enable the Company to mitigate the effects of rising temperatures, manage energy costs and enhance resilience to climate-related risks, in line with the strategic objectives and disclosure principles under **IFRS S1 and IFRS S2**.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

3. Energy Management (cont'd)

3.2. Strategy (cont'd)

➢ Effects on Business Model and Value Chain

Cooling and ventilation systems are integral to the Company's poultry farming business model, as they are essential for maintaining livestock welfare, productivity and operational continuity under varying climatic conditions.

The Company's **dependence on electricity** is therefore concentrated within the following key components of its value chain:

- **Chicken houses**, where continuous ventilation and cooling are required to regulate temperature and humidity;
- **Farm plants and supporting infrastructure**, which rely on stable electricity supply to support daily operations;
- **Temperature control systems**, including cooling and ventilation equipment, which are critical for mitigating heat stress risks associated with rising ambient temperatures.
  - **Cooling pads** to regulate internal temperatures within chicken houses and reduce heat stress on livestock;
  - **Industrial ventilation fans** to improve airflow efficiency and thermal comfort;
  - **Artesian water–based cooling systems**, which reduce reliance on electricity-intensive cooling methods;
- **Energy-efficient technologies**, including LED lighting and efficient air-conditioning systems, to optimise electricity consumption;
- **Preferential procurement practices** aligned with applicable energy efficiency guidelines, supporting the adoption of more efficient equipment and systems; and
- **Employee engagement and awareness initiatives** to promote prudent energy use and behavioural conservation at the operational level.

As a result, disruptions in electricity supply or sustained increases in energy demand driven by climate-related physical risks may have direct implications for operating costs, production efficiency and animal welfare. These impacts are considered material to the Company's business model and value chain under **IFRS S2**, as they may reasonably be expected to affect the Company's operational resilience and financial performance.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

3. Energy Management (cont'd)

3.3 Risk Management, Mitigation and Adaptation Measures

In response to climate-related physical risks, particularly rising ambient temperatures, and transition risks associated with energy efficiency expectations and cost pressures, the Company has implemented a combination of **mitigation and adaptation measures** across its poultry farming operations.

These measures support both **climate mitigation and adaptation objectives**, helping to manage energy demand, control operating costs and enhance resilience to prolonged heat conditions.

- Backup Power for Operational Resilience
  To strengthen resilience against **grid instability and electricity supply disruptions**, the Company has implemented backup power solutions at key operational sites, including:
  - **Industrial uninterruptible power supply (UPS) units** to ensure continuity of critical systems; and
  - **Standby generator sets** to support essential operations during power outages.

- Chicken houses design & technology
  - Installation of industrial cooling pad systems and ventilation controls in poultry houses to reduce heat stress on livestock, improve animal welfare and lower energy consumption.
  - Continuous monitoring of poultry house environmental conditions, including temperature, humidity and air quality, to maintain optimal farming conditions and improve operational resilience.

- Artisan well water supply
  - Utilisation of artisan wells as an alternative water source to enhance water security and reduce vulnerability to water supply disruptions during prolonged dry periods.

- Waste Management system
  - Timely collection, treatment and processing of poultry waste to minimise greenhouse gas emissions which contribute to rising temperature.

Ongoing evaluation of energy-efficient design and technologies and renewable energy opportunities to improve resource efficiency and reduce the Group's carbon footprint where commercially feasible. These measures are critical to maintaining ventilation, cooling and temperature control systems and operational continuity during extreme weather events or grid-related disruptions.

MATERIAL SUSTAINABILITY MATTERS
cont'd

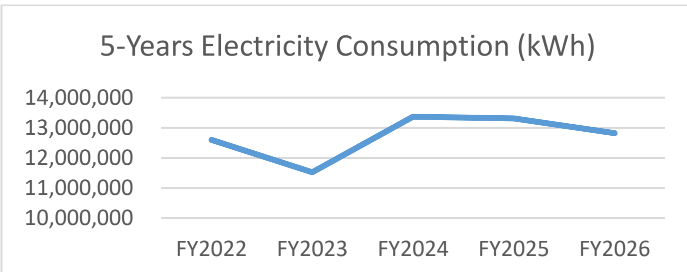
AREA 2 – ENVIRONMENTAL MANAGEMENT cont'd

3. Energy Management (cont'd)

3.4 Metrics and Targets

The Company monitors electricity consumption as a key performance metric, given its importance to poultry farming operations and its linkage to climate-related physical risks, particularly heat stress.

Annual electricity consumption for the past five financial years is summarised below:



Energy consumption (kWh)
12,822,234
2025: 13,304,280
2024: 13,363,925

In **FY2026**, electricity consumption decreased by **3.6%** compared to FY2025. Despite the drop, overall electricity consumption remained broadly stable, reflecting the energy efficiency measures such as improved ventilation systems for chicken houses, energy-efficient equipment and habitual conservation practices.

The Company uses this historical consumption data to track trends, assess exposure to climate-related physical risks, and inform operational and investment decisions, in line with the disclosure principles under **IFRS S1 and IFRS S2** and the **Practice Note 9A requirement to disclose total energy consumption**.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE

1. Employees' Welfare & Labour Practices

Why It Matters

Employees' Welfare and Labour Practices are material to LTKM due to its reliance on a sizeable workforce, including foreign workers, to support daily farm operations. Despite automation in certain parts of the production processes, many tasks are still manually performed. Responsible employment practices are essential for good people-treatment practices as well as to comply with labour laws, meet customer and export market expectations, and maintain a stable, productive workforce.

1.1 Governance

Oversight of employees' welfare, occupational health and safety ("OHS"), labour practices and human-rights compliance is embedded within LTKM Berhad's sustainability governance structure, consistent with IFRS S1 requirements on governance disclosures. The Board and Senior Management oversee workforce-related sustainability risks and opportunities, while implementation is supported by the Occupational Safety and Health Committee ("OSHC") and Human Resource functions.

The OSHC comprises employees from various operational levels and is responsible for overseeing workplace safety procedures, conducting random inspections, monitoring compliance with DOSH requirements, reviewing incident trends, and coordinating safety-related training and awareness programmes. The Committee also ensures corrective actions are implemented where breaches or non-compliance are identified.

Management additionally oversees compliance with employment-related laws and regulations, including the Employment Act (Amendment) 2022 and relevant labour regulations issued by the Department of Labour Peninsular Malaysia and other authorities. The Group's Human Rights Policy guides its commitment towards fair treatment, non-discrimination, safe working conditions and ethical employment practices.

1.2 Strategy

➢ Material Risks

Employees' welfare risks are material due to their potential impacts on operational continuity, regulatory compliance, financial performance, and employee well-being.
Key workforce-related risks include:

- workplace injuries, illnesses and operational accidents;
- dependency on manual labour and foreign workforce availability;
- labour shortages and skills gaps arising from technology and process advancements;
- potential non-compliance with labour and human-rights requirements; and
- operational disruption arising from insufficient workforce competency or retention challenges.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

1. Employees' Welfare & Labour Practices

1.2 Strategy (cont'd)

➢ Opportunities

Our safety goals are:
- Prevention of workplace injuries, fatalities and illness
- Safety trainings and practices – safe and correct machines handling, basic emergency and safety knowledge, etc
- Trainings for personal and work development
- Compliance with regulatory requirements and collaboration with the Department of Occupational Safety and Health ("DOSH").

In response, the Group focuses on:
- prevention of workplace injuries and illnesses;
- continuous safety and competency training;
- compliance with DOSH and labour regulations;
- enhancement of employee welfare and living conditions; and
- gradual operational automation to reduce dependency on manual labour.

Strategic measures implemented include:
- structured workplace safety protocols and routine inspections;
- emergency preparedness and incident response procedures;
- employee accommodation and transportation support;
- post-incident reviews and retraining;
- regular engagement with labour authorities and regulators; and
- investments in automation such as conveyor systems, automated egg collection and grading systems, and preset feed and water systems.

These initiatives support operational resilience while creating opportunities through improved productivity, stronger employee retention, enhanced workforce morale and reduced operational disruption.

➢ Effects on Our Business Model and Strategy

Labour-related factors play a significant role in LTKM's long-term operational planning and cost structure. In response to identified labour risks, the Group has integrated workforce stability and respect for human rights into its sustainability strategy and broader business planning processes.

Key strategic initiatives include:
- **Investments in automation**, aimed at reducing reliance on manual labour and improving operational efficiency, including:
    - automated conveyor-belt systems;
    - fully automated egg-grading and sorting machines; and
    - preset feed and water systems.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE

1. Employees' Welfare & Labour Practices

1.2 Strategy (cont'd)

➢ Effects on Our Business Model and Strategy (cont'd)

Key strategic initiatives include (cont'd):
- **Enhancing training, supervision and management oversight**, to ensure consistent implementation of labour policies, improve skills availability and support workplace safety.
- **Strengthening labour compliance monitoring and enforcement** across all operational units to support adherence to applicable labour laws and standards. This includes regular laison and open communications with state Labour Department to ensure consistent compliance and mutual objective of quality labour welfare.

Collectively, these initiatives support operational resilience by reducing exposure to labour availability constraints, enabling continuous production and contributing to stable long-term performance.

Health, Safety and Workforce Development

The OSHC coordinates annual safety and emergency response programmes involving relevant authorities and certified organisations. Training programmes include:
- fire safety and evacuation procedures;
- first aid and CPR training;
- workplace safety awareness; and
- machine handling and operational safety practices.

Training records are maintained and submitted to DOSH where required for compliance validation and follow-up actions.

1.3 Risk Management Process

Workforce and labour-related risks are identified and assessed through:
- operational and management reviews;
- internal inspections and audits;
- stakeholder engagement;
- regulatory inspections; and
- grievance and whistleblowing mechanisms.

The Group monitors compliance with labour regulations and internationally recognised forced-labour risk indicators issued by the Ministry of Human Resources. LTKM does not tolerate any form of forced labour, coercion, withholding of documents, intimidation or abusive employment practices.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

1. Employees' Welfare & Labour Practices

1.3 Risk Management Process (cont'd)

Regular monitoring and corrective actions are undertaken by supervisors and management. Employee complaints and grievances are formally recorded, investigated and addressed through established channels, including the Group's whistleblower mechanism available on its corporate website.
Policies, procedures and training programmes are periodically reviewed to ensure alignment with evolving regulatory requirements, stakeholder expectations and industry best practices.
The Company's employees' welfare and safety strategy focuses on minimising workplace incidents while supporting long-term business resilience. Strategic priorities include continuous hazard assessments, provision of staff hostel and safe commuting arrangements.

Key measures to manage employees' risks include implementation of:

- structured safety protocols,
- routine inspection of workplace and workers' quarters,
- emergency response readiness,
- scheduled competency and safety training,
- mandatory DOSH reporting and corrective action processes,
- enhanced welfare initiatives, and
- post mortems after incidents and re-training
- skills gap due to process/technology advancement

➢ Health and Safety Training Programme

Annually, the OSHC engages relevant authorities to conduct different training for our employees. The training includes demonstration in operating fire-fighting equipment and the steps to be taken during emergencies such as putting out a small fire or performing evacuations, first-aid training with Malaysia Civil Defense Force ("APM"), first-aid and CPR training with Melaka State Health Department ("JKNM"), fire safety and awareness program by professionally certified organisation.

The Committee is tasked to record the details of the participating organisation, purpose of the training, activities taken and participant involved as required by DOSH.The record of training is submitted to DOSH for validation and feedbacks on training compliance. The Committee promptly rectifies any issues raised by DOSH.

➢ Controls and Monitoring

Supervisors and human resources personnel conduct regular inspections and monitoring activities across operational units. Where non-compliance or deficiencies are identified, upward reporting is made, consultation with advisors and/or internal review sessions are carried out to arrive at corrective actions which are then implemented in accordance with established procedures.

All employee grievances and complaints are formally recorded, investigated and resolved through defined grievance mechanisms, with oversight by management to ensure timely and appropriate outcomes. LTKM's whistle blower policy spells out the channels and process, which can be found in its website at **WWW.LTKM.COM.MY**.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

1. Employees' Welfare & Labour Practices

1.3 Risk Management Process (cont'd)

➢ Continuous Improvement

Labour-related standard operating procedures, policies and training programmes are reviewed periodically. Reviews are conducted to ensure alignment with:

- evolving regulatory requirements;
- stakeholder expectations; and
- recognised best practices.

Findings from internal audits and regulatory inspections are assessed on an ongoing basis.

Feedback and cases raised through grievance mechanisms are analysed to identify improvement areas. Insights from audits, inspections and grievances are used to:

- strengthen labour-risk management controls;
- refine policies and procedures; and
- enhance employee training and awareness programmes.

1.4 Metrics and Performance

The following are key metrics for LTKM's employees' welfare & safety processes:

Trainings hours **471** 2025 :492 hours 2024: 474 hours	Health & Safety Trainings **13 session** 2025: 7 2024: 14	Employees trained* **310** 2025: 247 2024: 323
DOSH Incidents **7 reports** 2025: 2 2024: 4	Fatalities **Nil** 2025: Nil 2024: Nil	LTIR **0.75** 2025: 0.72 2024: 0.60

For health & safety *

Management reviews progress against these metrics and uses the results to make informed staff welfare strategy and labour related decisions. In addition approximately 390 out of 571 headcount of the Group personnel are using **accommodation at the farm hostel** as approved by the Melaka state labour department.

Policy Commitments

LTKM does not engage in, tolerate, or support any form of forced labour across its operations. The Group has established internal controls and monitoring mechanisms to prevent all internationally recognised indicators of forced labour, including but not limited to restriction of movement, withholding of identity documents, coercion, intimidation, debt bondage, abusive working conditions, and other practices that compromise workers' freedom or dignity.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

1. Employees' Welfare & Labour Practices (cont'd)

1.4 Metrics and Performance (cont'd)

The Group's **Human Rights Policy** sets out clear commitments that guide employment practices and workforce management. These commitments include:

- providing **equal opportunity employment** without discrimination;
- ensuring **decent working and living conditions** that safeguard employee well-being;
- maintaining **transparent recruitment processes and fair employment contracts**, including clear terms and conditions of employment;
- upholding **freedom from harassment, abuse or intimidation** in any form;
- ensuring **fair and timely remuneration** in accordance with applicable laws and contractual obligations; and
- providing **accessible and safe grievance mechanisms**, which allow employees to raise concerns without fear of retaliation.

These policy commitments support the Group's approach to managing labour practices and standards as a material social sustainability matter and form the basis for **monitoring performance** through relevant indicators, including training, workforce composition, employee turnover and substantiated human rights complaints, in line with PN9A requirements.

2. Community & Society

Why It Matters

LTKM recognises community investment as a material sustainability matter because the Group's operations are closely connected to surrounding communities, including schools, charitable organisations, homes for the underprivileged and local community groups. Community initiatives help address social welfare needs, build goodwill and support long-term workforce development within the Group's operating areas.

Community investment creates value when it is delivered in a targeted and accountable manner. LTKM's approach focuses on providing practical support to external stakeholders through cash and in-kind contributions, Product-related assistance and support for community events and development programmes.

2.1 Governance

Oversight of community programmes is embedded within LTKM's sustainability governance structure. The Sustainability Steering Committee evaluates proposed community projects, ensures alignment with sustainability priorities, and monitors performance.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

2. Community & Society (cont'd)

2.2 Strategy

Risks, Opportunities and Expected Effects

- **Risk:** Insufficient engagement may lead to reputational impacts.
  Community investment presents opportunities for LTKM to strengthen trust, improve community relations and support long-term workforce availability within its operating areas. These positive outcomes contribute to the Group's broader social license to operate.
- **Opportunity:** Enhanced community relations improve long-term workforce availability and stakeholder trust.

At the same time, insufficient engagement with surrounding communities may result in reputational impacts and weaker stakeholder relationships. LTKM therefore considers community investment as part of its broader sustainability planning and resource allocation process. These factors guide our resource allocation and planning.

2.3 Risk Management Approach and Rationale

LTKM's community investment approach is guided by its sustainability governance structure. Management evaluates proposed community initiatives, reviews alignment with sustainability priorities and monitors the implementation of community programmes.

Our approach emphasises:

i. Targeted Community Support
Providing and increasing direct assistance to schools, charitable organisations, homes for the underprivileged and community groups through donations, Product supplies and other forms of practical support.

ii. Local Partnerships and Engagement
Enhancing collaboration with schools, charitable organisations, public institutions and community groups to improve programme reach and relevance.

iii. Accountability and Review
Reviewing community initiatives internally to ensure alignment with the Group's sustainability priorities and to support continuous improvement in programme effectiveness.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

2. Community & Society (cont'd)

2.4 Metrics and Targets

Community Investment Performance

LTKM continued to strengthen its community outreach in FY2026 through higher levels of cash and in-kind contributions. The Group contributed RM65,032 to external beneficiaries in FY2026, compared with RM72,400 in FY2025. The number of beneficiaries increased from 45 in FY2025 to 50 in FY2026, reflecting wider outreach and community support.

Indicator	FY2026	Progress
Amount contributed	RM66,032	Increased community investment and outreach
Number of beneficiaries	50	Expanded support to more external beneficiaries

Community Investment Initiatives

Initiative	Description / Progress	Outcomes
Direct Contributions to - public welfare bodies - educational institutions - religious organisations - community organisations and activities	Provided direct donations, and some in egg supplies to schools, community bodies, homes for the underprivileged, financial support and contributions-in-kind at community events	Strengthened community well-being and reinforced LTKM's role as a responsible Corporate citizen particularly in area where LTKM operates

LTKM aims to deepen its community impact by expanding outreach to additional beneficiaries, and strengthening partnerships with local bodies for community programme effectiveness. The Group will continue to review its community investment priorities annually as part of its sustainability planning cycle.

3. Business Ethics & Anti-Corruption

Why It Matters

Business Ethics and Anti-Corruption are material to LTKM as ethical business conduct underpins sound corporate governance, regulatory compliance and stakeholder trust. Effective anti-corruption practices help protect the Group from legal, financial and reputational risks.

3.1. Governance

The Board of Directors oversees sustainability-related risks and opportunities arising from integrity and ethical conduct, in accordance with the Company's policy on Anti-Corruption and Bribery and Code of Conduct and Ethics, and all relevant regulatory compliances.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

3. Business Ethics & Anti-Corruption (cont'd)

3.1. Governance (cont'd)

The Board ensures that responsibilities for managing corruption risks are embedded in LTKM's governance charters and internal policies which are published on the Company's official website at **WWW.LTKM.COM.MY**. Directors, senior management, executives and supervisory staff receive training and refreshers to maintain competency in integrity-related risks. The Integrity Officer and Internal Audit function monitor compliance, assess control effectiveness, and report to the Audit and Risk Management Committee. The ARMC reviews periodic updates on corruption-related risks and related company policies.

3.2. Strategy

➢ Identification and Assessment of Material Anti-Corruption Risks and Opportunities

LTKM Berhad recognises corruption-related risks as material sustainability matters that may affect the Group's financial performance, operations, reputation, regulatory compliance and stakeholder confidence. In line with sustainability objectives, the Group integrates anti-corruption considerations into its enterprise risk management and sustainability governance framework.
Anti-corruption risks are identified and assessed through:

- Annual enterprise risk assessments;
- Internal audit and compliance reviews;
- Employee self-assessment declarations;
- Monitoring whistleblowing reports; and
- Review of applicable laws and regulations, including the MACC Act 2009 and its amendments.

The Group also recognises opportunities arising from strong ethical governance practices, including enhanced stakeholder confidence, improved transparency, stronger business relationships and sustainable long-term growth.

➢ Effects on Business Model and Decision-Making

LTKM adopts a zero-tolerance approach towards bribery and corruption across its operations, procurement activities and business relationships. Effective anti-corruption practices support operational integrity, strengthen stakeholder trust and enhance the sustainability of the Group's business model.
To support ethical business conduct, the Group has implemented:

- Anti-Bribery & Corruption Policy;
- Mandatory annual employee declarations;
- Confidential whistleblowing channels;
- Segregation of duties and approval controls; and
- Periodic compliance monitoring and internal audits.

These measures are integrated into the Group's operational and decision-making processes to minimise corruption risks and support responsible business practices.

MATERIAL SUSTAINABILITY MATTERS
cont'd

AREA 3 – PEOPLE & GOVERNANCE cont'd

3. Business Ethics & Anti-Corruption (cont'd)

3.3 Risk Management Process

LTKM manages anti-corruption risks through an integrated internal control and risk management framework. The Group assesses the likelihood and impact of corruption-related risks, monitors high-risk activities, and reviews the effectiveness of controls on an ongoing basis.

Oversight is supported by Management and the Internal Audit function, which report to the ARMC and the Board of Directors. Employees are encouraged to report suspected misconduct through established whistleblowing channels, with investigations and corrective actions undertaken where necessary.These measures support the Group's commitment to ethical business conduct, regulatory compliance and sustainable value creation.

3.4 Metrics and Targets

In line with IFRS S1 governance and competency expectations, LTKM Berhad conducts mandatory anti-corruption and bribery training for employees to strengthen awareness of ethical business conduct and regulatory compliance. Refresher training modules are periodically implemented to reinforce understanding of the Group's Anti-Bribery and Corruption Policy and related procedures. In addition, employees are required to complete annual declarations to affirm compliance with the Group's integrity and anti-corruption requirements.

In the financial year 2026 the following metrics were recorded:

Trainings conducted
2 sessions
2025: 2 sessions
2024: 2 sessions

Employees trained
60 people
2025: 65 people
2024: 41 people

Declarations obtained
60 people
2025: 65 people
2024: 41 people

Corruption incidents occurred/reported
Zero case
2025: zero
2024: zero

Performance Targets
- Maintain zero corruption incidents annually.
- Ensure 100% completion of anti-corruption training across all employees.
- Review and enhance anti-corruption controls annually.

CLIMATE CHANGE RISK

Why It Matters

As a large-scale poultry producer, LTKM is exposed to climate-related risks such as rising temperatures, extreme weather and changing rainfall patterns, which may affect poultry welfare, farm operations and production costs. Managing these risks in effort to minimize or avoid the climate change effects on the operation enhances the Group's resilience and long-term business sustainability.

1.1 Governance

The Group recognises climate change as a material environmental risk that may affect its operations, supply chain and long-term business resilience.

Climate change risks and opportunities are overseen through the Group's sustainability governance framework, with ultimate oversight provided by the Board of Directors and operational management responsible for identifying, assessing and managing climate-related matters. Climate-related considerations are integrated into the Group's risk management and operational decision-making processes, particularly in areas relating to biosecurity, energy management, water management and supply chain resilience.

Risk	IFRS S2 Category
Rising temperatures	Physical Risk (Chronic)
Changes in rainfall patterns	Physical Risk (Chronic)
Water scarcity	Physical Risk (Chronic)
Heatwaves	Physical Risk (Acute)
Floods and storms	Physical Risk (Acute)

1.2 Strategy

The Group recognises climate change as a sustainability-related risk that may affect its operations, financial performance and long-term resilience. Climate-related physical risks include rising temperatures, heatwaves, changing rainfall patterns and extreme weather events, which may adversely impact poultry health, egg production performance, feed supply, water availability and farm infrastructure.

- Material Risks

Climate-related Risk	Potential Impact on LTKM
Rising temperatures	Increased heat stress in poultry, reduced feed intake, lower egg production rates, higher mortality risk, and increased cooling and ventilation costs.
Heatwaves	Severe poultry stress, higher mortality rates, reduced egg quality and productivity, increased water consumption, and disruption to farm operations.
Changes in rainfall patterns	Potential shortages of water resources during drought periods, increased water management costs, and impacts on crop yields used in feed ingredients such as corn and soybeans.
Extreme weather events (storms, floods, strong winds)	Damage to farm buildings, poultry houses and equipment; disruption to logistics and supply chains; interruption of operations; and increased repair and maintenance costs.

CLIMATE CHANGE RISK
cont'd

1.2 Strategy (cont'd)

➢ Impact on Key Business Areas

1. Poultry Health
- Heat stress can weaken immune systems and increase susceptibility to disease.
- Extreme temperatures can increase mortality rates.
- Changes in environmental conditions may increase disease outbreaks.

2. Egg Production Performance
- Reduced feed consumption during hot weather can lower laying rates.
- Heat stress may reduce egg size, shell quality and overall productivity.
- Production consistency may be affected by prolonged climate events.

3. Feed Supply
- Droughts and changing weather patterns may affect global production of corn and soybean meal.
- Supply disruptions may increase feed costs and price volatility.
- Transportation disruptions from floods or storms may affect feed availability.

4. Water Availability
- Poultry farming requires a reliable water supply for drinking, cleaning and cooling systems.
- Prolonged dry periods may reduce water availability and increase water procurement costs.

5. Farm Infrastructure
- Flooding, storms and strong winds may damage poultry houses, warehouses, feed mills and utilities.
- Higher temperatures may accelerate wear and tear on ventilation and cooling systems.
- Additional capital expenditure may be required to enhance climate resilience.

➢ Opportunities

At the same time, climate change presents opportunities for the Group to enhance operational efficiency, strengthen resilience and reduce resource consumption through the adoption of sustainable farming practices and resource-efficient technologies. These initiatives support the Group's efforts to manage climate-related risks while improving long-term productivity and cost efficiency. Key opportunities identified include:

- **Utilisation of artisan wells for water security** – The use of artisan wells provides a reliable alternative water source, reducing dependence on municipal water supplies and enhancing resilience against water scarcity and climate-induced disruptions.

- **Installation of industrial cooling pad systems in poultry houses** – The cooling pad technology improves temperature regulation within chicken houses, reducing heat stress on livestock while lowering energy consumption compared to conventional cooling methods. This contributes to improved operational efficiency and reduced greenhouse gas emissions intensity.

CLIMATE CHANGE RISK
cont'd

1.2 Strategy (cont'd)

➢ Opportunities (cont'd)

At the same time, climate change presents opportunities for the Group to enhance operational efficiency, strengthen resilience and reduce resource consumption through the adoption of sustainable farming practices and resource-efficient technologies. These initiatives support the Group's efforts to manage climate-related risks while improving long-term productivity and cost efficiency. Key opportunities identified include (cont'd):

- **Timely processing and management of farm waste** – Efficient waste handling and processing minimise the accumulation of organic waste, reducing heat build-up, odour, and pollution. Effective waste management also lowers the risk of methane and other greenhouse gas emissions, supporting environmental protection and contributing to climate change mitigation efforts.

These initiatives demonstrate the Group's commitment to enhancing climate resilience, improving resource efficiency and supporting sustainable agricultural operations while creating long-term value for stakeholders.

1.3 Risk Management

Climate change risks are assessed as part of the Group's overall risk management processes. Management monitors climate-related developments and evaluates their potential impacts on operations, supply chains and resource availability. Climate-related considerations are incorporated into operational planning, infrastructure maintenance, energy management, water management and biosecurity practices.

Measures currently implemented by the Group include the use of cooling pad systems and industrial ventilation fans to manage heat stress, reliance on artesian well water to strengthen water supply resilience, energy efficiency initiatives, and continuous monitoring of livestock health and environmental conditions.

1.4 Metrics and Targets

The Group's carbon footprint is primarily driven by value-chain emissions (Scope 3) and purchased electricity (Scope 2). For this reporting year, LTKM has embarked on measuring its Scope 3 emissions estimated using spend/activity-based life-cycle emission factors for major feed ingredients, including imported corn, soybean, wheat pollard, fish oil and linseed oil. The Group will continue to engage suppliers, improve procurement practices and explore renewable energy solutions to reduce its overall carbon footprint.

GHG Emission Scopes	Source	FY2026 tCO2e	FY2025 tCO2e	FY2024 tCO2e
Scope 1 - Direct GHG Emissions	- Company vehicles - petrol	109	118	119
	- Machineries & vehicles - diesel	1,880	2,509	2,366
Scope 2 - Indirect GHG Emissions	- Purchased electricity	7,501	7,783	7,818
Scope 3 – Category 1	- Purchased Goods & Services	30,349	43,315	30,560

CLIMATE CHANGE RISK
cont'd

1.4 Metrics and Targets (cont'd)

- Scope's Emissions Basis

The Group reports Scope 2 greenhouse gas emissions using the **location-based method**, which reflects emissions from electricity consumption based on the average emission factor of the Malaysian national electricity grid. Electricity consumption data is obtained from utility bills and operational records. The Group does not currently apply the market-based method as it has not entered into renewable energy purchase agreements, renewable energy certificates or other contractual instruments that would materially affect its Scope 2 emissions.

During FY2026, the Group voluntarily disclosed selected Scope 3 greenhouse gas emissions under **Category 1 – Purchased Goods and Services**, covering major feed raw materials used in poultry operations, namely corn, soybean meal, fish oil, linseed oil, wheat pollard and crude palm oil.

The selected categories represent the most significant purchased inputs to the Group's poultry operations and are considered the most material sources of upstream emissions currently available for assessment. Scope 3 emissions reported in this Sustainability Statement do not represent a complete inventory of all Scope 3 categories defined under the GHG Protocol. Other Scope 3 categories, including capital goods, fuel- and energy-related activities, transportation and distribution, waste generated in operations, business travel and employee commuting, have not been quantified at this stage.

The Group intends to progressively enhance the completeness and accuracy of Scope 3 reporting as data availability, internal capabilities and supplier information improve over time.

- Methodology of GHG Emissions calculation:

The Group's greenhouse gas ("GHG") emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e) and categorised in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

- **Scope 1 emissions** comprise direct emissions from fuel combustion in company-owned vehicles, machinery and equipment. Emissions are calculated using activity data, including fuel consumption records, multiplied by the relevant emission factors published by recognised authorities.

- **Scope 2 emissions** comprise indirect emissions from purchased electricity consumed in the Group's operations. Emissions are calculated based on electricity consumption data obtained from utility bills and the applicable grid electricity emission factor for Malaysia.

- **Scope 3 emissions (Purchased Goods and Services)** currently cover the Group's major feed raw materials, namely corn, soybean meal, fish oil, linseed oil, wheat pollard and crude palm oil. Emissions are estimated using activity-based emission factors obtained from publicly available life-cycle assessment (LCA) databases and industry reference sources. Scope 3 reporting is currently limited to these major purchased feed ingredients and does not include all Scope 3 categories defined under the GHG Protocol.

Where primary supplier-specific emission factors are unavailable, secondary emission factors from recognised databases and published studies are used. Emission factors and calculation methodologies are reviewed periodically and may be updated as better-quality data becomes available.

CLIMATE CHANGE RISK
cont'd

1.4 Metrics and Targets (cont'd)

- Climate Resilience

The Group has assessed the resilience of its poultry farming operations against climate-related risks, particularly rising temperatures, water availability challenges and potential disease-related impacts on livestock health. Based on current operating conditions and available information, Management believes that the Group's business model remains reasonably resilient in the short to medium term due to existing mitigation measures, including the use of closed-house farming systems, cooling pads, artesian well water supply, backup power facilities, established biosecurity controls and ongoing monitoring of animal health.

The Group will continue to monitor climate-related developments, regulatory changes and emerging risks to ensure that appropriate adaptation measures are implemented to support operational continuity, animal welfare and long-term business sustainability.

- Greenhouse Gas Emissions Intensity

In addition to reporting absolute greenhouse gas emissions, the Group monitors emissions intensity to assess carbon efficiency relative to production output. Emissions intensity is calculated based on total Scope 1, Scope 2 and reported Scope 3 emissions divided by the total number of eggs sold during the financial year.

Indicator	FY2026	FY2025	FY2024
Total GHG Emissions (tCO_2e)	39,839	53,725	40,863
Eggs Sold (million eggs)	546	537	536
GHG Intensity (tCO_2e per million eggs sold)	72.97	100.05	76.24

The reduction in GHG intensity in FY2026 from FY2025 was primarily attributable to improved use feed formulation and operational efficiency.

Assurance Statement

LTKM did not subject this Sustainability Report 2026 to internal audit or external assurance for the current reporting year. The Company will continue to engage internal audit review and assessment in the new reporting year to arrive at full compliance with IFRS S1 and S2 requirements.

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Anti Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	100	100	100	No assurance
Bursa (Anti Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	67	67	100	No assurance
Bursa (Anti Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	100	100	No assurance
Bursa (Anti Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non Executive	Percentage	89	81	100	No assurance
Bursa (Anti Corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	100	100	No assurance
Bursa (Anti Corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	No assurance
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	73376.98	64432.4	—	No assurance
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	45	39	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (Male)	Percentage	60	60	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (Female)	Percentage	40	40	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management (Male)	Percentage	67	67	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management (Female)	Percentage	33	33	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive (Male)	Percentage	0	0	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive (Female)	Percentage	100	100	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-Executive (Male)	Percentage	77	79	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-Executive (Female)	Percentage	23	21	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (<30)	Percentage	0	0	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (30-50)	Percentage	30	30	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (>50)	Percentage	70	70	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management (<30)	Percentage	0	0	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management (30-50)	Percentage	100	100	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management (>50)	Percentage	0	0	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive (<30)	Percentage	0	0	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive (30-50)	Percentage	100	100	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive (>50)	Percentage	0	0	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-Executive (<30)	Percentage	28	28	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-Executive (30-50)	Percentage	57	59	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-Executive (>50)	Percentage	15	13	—	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group (Male)	Percentage	57	57	67	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group (Female)	Percentage	43	43	33	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group (30-50)	Percentage	43	43	—	No assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group (>50)	Percentage	57	57	—	No assurance
Bursa (Energy management)	C4(a) Total Energy consumption	Megawatt	13304	12822	—	No assurance
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	0	0	No assurance
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.72	0.75	0	No assurance
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	247	310	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employees category - Senior Management	Hours	80	192	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employees category - Management	Hours	64	80	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employees category - Executive	Hours	56	80	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employees category - Non-Executive	Hours	248	496	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	0	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Senior Management	Number	0	0	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Management	Number	0	0	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	0	0	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-Executive	Number	68	37	—	No assurance
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	No assurance
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	45	48	50	No assurance
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	No assurance
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	474	347	—	No assurance