EGGRICULTURE FOODS LTD.
永續農業發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8609)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

The board (the "**Board**") of directors ("**Directors**") of Eggriculture Foods Ltd. (the "**Company**") is pleased to announce the audited consolidated results of the Company together with its subsidiaries for the year ended 31 March 2024. This announcement, containing the full text of the 2024 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcements of annual results.

By order of the Board
Eggriculture Foods Ltd.
Ma Chin Chew
Chairman, Executive Director and Chief Executive Officer

Singapore, 24 June 2024

As at the date of this announcement, the executive Directors are Mr. Ma Chin Chew (Chairman and Chief Executive Officer), Ms. Lim Siok Eng and Mr. Tang Hong Lai; and the independent non-executive Directors are Mr. Sneddon Donald William, Mr. Yuen Ka Lok Ernest and Mr. Lew Chern Yong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Announcements" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.eggriculturefoods.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of Eggriculture Foods Ltd. (the "Company") and together with its subsidiaries (the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

DIRECTORS

Executive Directors

Mr. Ma Chin Chew
(Chairman and Chief Executive Officer)
Ms. Lim Siok Eng
Mr. Tang Hong Lai

Independent Non-executive Directors

Mr. Yuen Ka Lok Ernest
Mr. Sneddon Donald William
Mr. Lew Chern Yong

BOARD COMMITTEES

Audit Committee

Mr. Sneddon Donald William *(Chairman)*
Mr. Yuen Ka Lok Ernest
Mr. Lew Chern Yong

Remuneration Committee

Mr. Yuen Ka Lok Ernest *(Chairman)*
Mr. Sneddon Donald William
Mr. Lew Chern Yong

Nomination Committee

Mr. Yuen Ka Lok Ernest *(Chairman)*
Mr. Sneddon Donald William
Mr. Lew Chern Yong

COMPANY SECRETARY

Mr. Ching Kim Fung

AUTHORISED REPRESENTATIVES

Mr. Ma Chin Chew
Mr. Ching Kim Fung

COMPLIANCE OFFICER

Ms. Lim Siok Eng

AUDITOR

Forvis Mazars LLP
(formerly known as Mazars LLP)
Certified Public Accountants
135 Cecil Street
10-01,
Singapore 069536

REGISTERED OFFICE

Cricket Square, Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

1 Lim Chu Kang Lane 9A, Singapore 718845

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1104, 11/F, Keybond Commercial Building
38 Ferry Street, Jordan, Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, PO Box 2681
Grand Cayman KY1-1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road, Hong Kong

LEGAL ADVISOR

Jun He Law Offices
Suite 3701-10, 37/F, Jardine House
1 Connaught Place, Central, Hong Kong

PRINCIPAL BANKERS

DBS Bank Limited
12 Marina Boulevard, Level 43
DBS Asia Central @ Marina Bay Financial Centre
Tower 3, Singapore 018982

Maybank Singapore Limited
2 Battery Road, Maybank Tower
Singapore 049907

United Overseas Bank Limited
80 Raffles Place, UOB Plaza, Singapore 048624

The Hongkong and Shanghai Banking
Corporation Limited
10 Marina Boulevard,
Marina Bay Financial Centre
Tower 2, Singapore 018983

COMPANY WEBSITE

www.eggriculturefoods.com

GEM STOCK CODE

8609

Chairman's Statement

Dear shareholders,

On behalf of the Board of Directors (the "Board") of Eggriculture Foods Ltd. (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2024 (the "FY2024").

BUSINESS REVIEW

The Group continues to focus on its core business of egg production and distribution in Singapore. Group revenue has increased by approximately 13% from approximately S$95.8 million for the year ended 31 March 2023 (the "FY2023") to approximately S$108.4 million for the FY2024. The higher sales are mainly attributable to more eggs sold to a larger customer base and higher egg prices as we consolidate our leading market position in Singapore.

The construction of the chicken eggs laying facilities is completed and the expanded farm is fully operational in early 2024. With the expanded chicken egg farm in operation, our own eggs production has increased. This has enabled us to reduce our reliance on sourced (purchased) eggs enhancing our control over the cost and quality of our eggs and the reliability of our supplies leading improvements in our gross margins.

With the completion of the expanded chicken egg laying capacity, the Group is expanding its existing egg sorting, packing and processing facilities to cope with the increased egg production. The completion of the quail farm has strengthened our revenue stream in the quail space. As we move towards a steady state of business operations, we are expecting costs pressures and other challenges as we scale up our production.

The construction of the processing plant is in progress and to be fully operational on the first quarter of 2025. When our expansion is substantially completed, management will focus to streamline its operations to cope with the increase in business activities to achieve the expected costs savings and efficiencies.

To fund the expansion, the Group's bank borrowings is approximately S$24.3 million as at 31 March 2024.

As a result of the above, the Group's net profit after tax increased by approximately S$10.6 million from approximately S$8.7 million for FY2023 to approximately S$19.3 million for FY2024. Our total assets base has increased from S$91 million as at 31 March 2023, to S$109 million as at 31 March 2024.

FUTURE OUTLOOK

With the expansion of the egg laying facilities substantially completed at the existing farm site, we are reorganizing and enhancing our sorting, packaging, processing and storage facilities to strengthen our competitive position as a leading food distributor in Singapore to the food & beverage industry and the consumers at large. We will continue to invest to provide a comprehensive range of egg related products to cater to the diverse and changing needs of our customers and to build resilience in our business model.

We will also focus on our quail eggs and meat business to create novel products for the Singapore market to enhance our revenue streams.

After the end of the financial year, as part of the Group's continuing efforts to enlarge its customers base, it acquired the ongoing business and selected assets from an existing egg distributor. The acquisition is expected to have a positive impact on our operations in the coming year.

Going forward, the Group will continue to be on a lookout for synergistic partners and other trade players to strengthen our business and financial positions.

APPRECIATION

On behalf of the Board, I would like to express our sincere gratitude to our shareholders, suppliers, customers and business associates for their support and trust placed in us. I would also like to express our sincere gratitude to the management and staff for their commitment and contributions throughout the year.

Eggriculture Foods Ltd.
Ma Chin Chew
Chairman, Chief Executive Officer and Executive Director
Singapore, 24 June 2024

FINANCIAL REVIEW

Revenue

The Group's total revenue increased by approximately S$12.6 million, or approximately 13% from approximately S$95.8 million in the FY2023 to approximately S$108.4 million in the FY2024.

(i) Fresh Eggs

In the FY2024, approximately 68% (FY2023: 67%) of the revenue was derived from the sales of fresh eggs. Revenue increased by approximately S$8.5 million from approximately S$64.8 million for the FY2023 to approximately S$73.3 million for the FY2024. The increase in sales was primarily driven by enlargement in the customer base arising from the acquisitions of eggs distributors which deal largely with fresh eggs.

(ii) Processed Eggs

In the FY2024, approximately 29% (FY2023: 29%) of the revenue was derived from the sales of processed eggs. Revenue increased by approximately S$4.1 million from approximately S$27.4 million for the FY2023 to approximately S$31.5 million for the FY2024. Such increase was primarily due to the increase in sales of the pasteurised liquid eggs and pasteurised hard-boiled and peeled eggs.

(iii) Fruits and vegetables

In the FY2024, approximately 3% (FY2023: 4%) of the revenue was derived from the sales of fruits, vegetables, and groceries.

Cost of Sales

The Group's total cost of sales increased by approximately S$13.7 million, or approximately 15% from S$92.4 million in the FY2023 to S$106.1 million in the FY2024 primarily due to the increase in the costs of sourced and produced eggs to meet the increased sales of the Group.

Gross Profit and Gross Profit Margin

The gross profit after agricultural produce fair value adjustments decreased by approximately S$1.1 million from approximately S$3.4 million for the FY2023 to approximately S$2.3 million for the FY2024 due to volatility of egg prices.

The gross profit before considering agricultural produce fair value adjustments increased by approximately S$8.4 million from approximately S$20.3 million for the FY2023 to S$28.7 million for the FY2024. Such increase was primarily due to the decrease in sales of sourced fresh eggs and the increase in sales of own produced fresh eggs and own produced processed eggs.

Other losses – net – others

The other losses – net – others has increased from approximately S$42,000 in the FY2023 to approximately S$79,000 in the FY2024 primarily due to impairment of goodwill recognised in the FY2024.

FINANCIAL REVIEW *(Continued)*

Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest

The gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest increased by approximately S$10.2 million, or approximately 60% from approximately S$16.9 million in the FY2023 to approximately S$27.1 million in the FY2024 primarily due to the increase in price of agricultural produce at the point of harvest in the FY2024.

Gain arising from changes in fair value of biological assets less estimated costs to sell

The gain arising from changes in fair value of biological assets less estimated costs to sell increased by approximately S$5.2 million from approximately S$3.6 million in the FY2023 to approximately S$8.8 million in the FY2024. The gain is higher for this financial year as compared to the previous financial year as there are two new layer houses in operation. Our flock size was comparatively higher as at 31 March 2024 as compared to 31 March 2023. In addition, our quail farm has started operations in the FY2024.

Selling and distribution expenses

Selling and distribution expenses have maintained at around the same as in the FY2023.

Administrative expenses

Administrative expenses increased from approximately S$6.8 million in the FY2023 to approximately S$7.1 million in the FY2024, primarily due to increase in staff and related costs in the FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

During the FY2024, the Group financed its operations by cash flow generated from operating activities and banking facilities.

The current ratio, being the ratio of current assets to current liabilities, was approximately 1.7 times as at 31 March 2024 (31 March 2023: 1.1 times). The gearing ratio, being the ratio of net debt to total capital, was approximately 16% as at 31 March 2024 (31 March 2023: 28%).

As at 31 March 2024 and 2023, the Group had cash and cash equivalents of approximately S$12.1 million and S$8.7 million, respectively.

LIQUIDITY AND FINANCIAL RESOURCES *(Continued)*

As at 31 March 2024, total borrowings which included lease liabilities and bank borrowings amounted to approximately S$25.1 million (31 March 2023: S$26.6 million). There was no material seasonality in relation to the borrowing requirements of the Group. Below is a breakdown of the total borrowings:

	2024 **S$'000**	2023 S$'000
Non-current		
Lease liabilities	**399**	656
Bank borrowings	**16,096**	11,908
	16,495	12,564
Current		
Lease liabilities	**343**	523
Bank borrowings	**8,230**	13,463
	8,573	13,986
Total borrowings	**25,068**	26,550
Maturity of Bank Borrowings		
Within 1 year	**8,230**	13,463
Between 1 and 2 years	**5,992**	5,754
Between 2 and 5 years	**8,239**	6,154
More than 5 years	**1,865**	–
	24,326	25,371

As at 31 March 2024, the Group had undrawn borrowing facilities of approximately S$29.6 million which included unutilised loan facilities, trade facilities and non-revolving hire purchase facilities.

The range of interest rates of the Group's term loans as at 31 March 2024 is 2.00% to 7.09% (2023: 1.90% to 7.75%).

PLEDGE OF ASSETS

Bank borrowings amounting to approximately S$10,770,000 as at 31 March 2024 are secured by the second phase of layers houses, machineries and processing plant under construction with a carrying amount of approximately S$14,121,000.

Bank borrowings amounting to approximately S$693,000 as at 31 March 2024 (31 March 2023: S$933,000) are secured by assignment over the investments in insurance contracts with a carrying amount of approximately S$2,396,000 (FY2023: S$2,277,000).

Lease of the Group amounting to approximately S$369,000 as at 31 March 2024 (31 March 2023: S$405,000) are effectively secured over the leased machinery and motor vehicles with a carrying amount of approximately S$687,000 (31 March 2023: S$689,000).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the year. The share capital of the Company only comprises ordinary shares.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material disposal of subsidiaries, associates and joint ventures in the FY2024. As at 31 March 2024, the Group did not invest in any significant investments, other than disclosed in Note 29 of Notes to the Consolidated Financial Statements of this report.

FUTURE PLAN FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have any plans for material investment or acquisition of capital assets as at the date of this annual report. The Company will make further announcement in accordance with the GEM Listing Rules, where applicable, if any investments and acquisition opportunities materialise.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any significant contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2024, the Group did not have material capital commitments other than disclosed in Note 26 of Notes to the Consolidated Financial Statements of this annual report.

EMPLOYEES, DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

As at 31 March 2024, the Group had a total of 356 employees (31 March 2023: 311). Staff cost, including Directors' remuneration, of the Group amounted to approximately S$13.4 million in the FY2024 (FY2023: S$11.5 million).

The remuneration package offered by the Group to our employees includes salary, bonus and staff benefits. In general, the Group determines the level of salaries based on each employee's qualification, experience, position, seniority and the prevailing market remuneration rate. The Group reviews its remuneration of employee annually and adjust them as needed to ensure that they are competitive to attract and retain talents and having regards to the Group's profitability.

Details of the employee benefit scheme of the Group and five highest paid individuals are set out in Notes 2.17 and 9 of Notes to the Consolidated Financial Statements of this annual report.

GUARANTEE PERFORMANCE IN RELATION TO THE ACQUISITIONS

The Group did not enter into any acquisition, which is required to be disclosed under the GEM Listing Rules, that the party in contract required to commit or guarantee on the financial performance in any kinds for the FY2024.

FOREIGN CURRENCY EXPOSURE

Currency risk arises when transactions are denominated in a currency that is not the entity's functional currency. The Group's business is mainly exposed to the United States dollar ("USD"), Hong Kong dollar ("HKD") and Euro ("EUR"). The Group monitors exchange rate movements to ensure this risk is kept within an acceptable level. This exposure is not hedged by any financial instruments. As the future exchange rates is uncertain, the sensitivity analysis is prepared based on the assumption of actual changes during the year, with all other variables including tax rate being held constant.

The Group's currency exposure to USD is as follows:

	2024 S$'000	2023 S$'000
Financial assets		
Cash and bank deposits	**341**	58
Financial liabilities		
Borrowings	**(693)**	(933)
Trade and other payables	**(132)**	(163)
	(484)	(1,038)
Less:		
Borrowings designated for insurance contracts	**693**	933
	209	(105)

The sensitivity analysis of the exposure to USD, after taking into consideration the USD borrowings designated for the investments in insurance contracts are as follows:

As at 31 March 2024, if USD had strengthened/weakened by 1% (2023: 2%) against Singapore dollar ("SGD") with all other variables including tax rate being held constant, the Group's results would have been S$2,000 lower/higher (FY2023: S$2,000 higher/lower), respectively, as a result of currency translation losses/gains (2023: losses/gains) on the USD-denominated financial assets/liabilities and insurance contracts.

FOREIGN CURRENCY EXPOSURE *(Continued)*

The Group's currency exposure to HKD is as follows:

	2024 S$'000	2023 S$'000
Cash and bank deposits	**215**	413
Trade and other payables	**(52)**	(86)
	163	327

As at 31 March 2024, if HKD had strengthened/weakened by 2% (2023: 2%) against SGD with all other variables including tax rate being held constant, the Group's results would have been S$3,000 (FY2023: S$5,000) higher/lower, respectively, as a result of currency translation gains/losses on the HKD-denominated assets/liabilities.

The Group's currency exposure to EUR is as follows:

	2024 S$'000	2023 S$'000
Cash and bank deposits	**7**	181
Trade and other payables	**–**	(16)
	7	165

As at 31 March 2024, if EUR had strengthened/weakened by 1% (FY2023: 4%) against SGD with all other variables including tax rate being held constant, the Group's results would have been S$70 (FY2023: S$5,000) higher/lower, respectively, as a result of currency translation gains/losses on the EUR-denominated financial assets/liabilities.

PRINCIPAL RISK AND UNCERTAINTIES

The Group uses its best efforts to ensure that its risk management practices adequately mitigate the risks present in its operations and financial position as efficiently and effectively as possible. Major risks and uncertainties are set out as follows:

(1) Our business is subject to risks of poultry-related diseases and infection.

(2) We face the risks of food contamination and deterioration and we may be subject to product liability claim on our egg products.

(3) Our business may be affected by any revocation or non-renewal of our licences.

PRINCIPAL RISK AND UNCERTAINTIES *(Continued)*

(4) A substantial part of our sales revenue was generated in Singapore and a significant decrease of our market share in Singapore may materially and adversely affect our results of operations and business performance.

(5) We may be affected by the prices of eggs imported from overseas.

(6) Disruption to our production facilities may adversely affect our business.

(7) Our business may be affected by fluctuations in the costs of raw materials for feeds.

(8) We are dependent on foreign workers.

(9) Our continuing and future success depends on the ability of our senior management and our business may be harmed if we lose their services.

(10) We do not have long term contracts with our major customers and suppliers.

(11) We are exposed to credit risk and defaults in payments by our customers.

(12) Our insurance coverage may be inadequate.

(13) We may encounter difficulty in achieving our specific business strategies.

(14) The fair value of our biological assets may fluctuate significantly from period to period, causing our results of operations to be highly volatile.

(15) Our business may be affected by competition in the industry.

(16) Our business may be affected by any changes in laws and regulations.

(17) Social, political, regulatory, economic and legal developments, as well as any changes in Singaporean government policies, could materially and adversely affect our business and results of operations.

(18) Any loss of or reduction in the government grants offered by the Government of Singapore may adversely affect our Group's financial performance and results of operations.

An analysis of the Group's financial risk management (including foreign currency risk, credit risk and impairment assessment, liquidity risk and interest rate risk) objectives and policies are set out in Note 3 to the Notes to the Consolidated Financial Statements.

The Group's risk management activities are performed by the management on an ongoing basis. The effectiveness of our risk management framework is evaluated at least annually, and periodic management meetings are held to update the progress of risk monitoring efforts. The management is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

PRINCIPAL RISK AND UNCERTAINTIES *(Continued)*

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually and further enhance the Group's internal control and risk management systems as appropriate.

There is currently no internal audit function within the Group. The Board has reviewed the need for an internal audit function and are of the view that, in light of the size, nature and complexity of the business of the Group, it is more cost effective to appoint external independent professionals to perform the internal audit function for the Group. The Board will continue to reassess this need for an internal audit function and to adapt accordingly to meet its goals.

Biographies of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Ma Chin Chew (馬琼就), aged 56, was appointed as the Executive Director, Chairman and Chief Executive Officer of the Group on 7 March 2018. He joined the Group as a director on 19 July 2006. He is also a director of a number of companies in the Group.

Mr. Ma is an engineering graduate and has more than 25 years of experience in management and food industry. He has been the key driver of the Group's business since 2006 and has grown and expanded the business manifolds after his takeover. He is overall responsible for the day to day operations and the strategic direction of the Group.

Currently, Mr. Ma is the secretary of the Poultry Merchants' Association in Singapore and the deputy secretary general of the Singapore Livestock Farmers' Association.

Save as being the spouse of Ms. Lim Siok Eng, Mr. Ma does not have any relationship with other Directors and senior management.

Ms. Lim Siok Eng (Lin Shuying) (林淑英), aged 52, is an engineering graduate. She joined the Group as administrator on April 2009 and was appointed as the Executive Director and the compliance officer of the Company on 7 March 2018, responsible for general administration, ensuring the Group's compliance with internal policies and financial control of the Group. She is also a director of a company in the Group.

Save as being the spouse of Mr. Ma Chin Chew, Ms. Lim does not have any relationship with other Directors and senior management.

Mr. Tang Hong Lai (陳鴻來), aged 64, joined the Group as operations manager in 2002. He was appointed as the Executive Director on 7 March 2018, primarily responsible for supervising the Group's production, maintenance of production facilities, feedstocks, waste and inventory management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yuen Ka Lok Ernest (袁家樂), aged 61, was appointed as an independent non-executive Director on 15 August 2018. He is responsible for providing independent judgement to the Board, ensuring legal compliance, safeguarding the Group's assets and reputation and enhancing shareholders' value. Mr. Yuen has over 20 years of experience in corporate law, civil litigation and conveyancing. He has been a partner in Messrs. Yuen & Partners since August 1997.

Mr. Yuen has been the director of China Metro-Rural Holdings Limited since 1 September 2010, the shares of which was listed on the New York Stock Exchange market and was subsequently delisted on 18 August 2016. He was also the independent non-executive Director of Man Sang International Limited (stock code: 938), the shares of which were listed on the Main Board of the Stock Exchange, from August 1997 to October 2004 and the director of China Digital Culture (Group) Limited (formerly known as KanHan Technologies Group Limited) (stock code: 8175), the shares of which were listed on GEM of the Stock Exchange, from July 2002 to May 2005.

Mr. Yuen graduated from University of Toronto, Canada with a bachelor's degree in Commerce on 21 November 1985. Mr. Yuen was admitted as a Solicitor of the High Court of Hong Kong on 28 March 1992.

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Sneddon Donald William (邵廷文), aged 61, was appointed as an independent non-executive Director on 15 August 2018. He is responsible for providing independent judgement to the Board, ensuring legal compliance, safeguarding the Group's assets and reputation and enhancing shareholders' value.

Mr. Sneddon has over 35 years of experience in audit, management and compliance. He joined Pricewaterhouse in Calgary in September 1985 and left as a assistant manager in September 1989. He then joined Pricewaterhouse in Hong Kong as an audit supervisor in September 1989 and became an audit manager from July 1990 to November 1991. Thereafter, he joined The Chase Manhattan Bank, N.A. in January 1992 and left as a supervising auditor in July 1995. In September 1995, he joined Citibank, N.A. and left as a business risk and compliance officer within the North Asia compliance office in September 1998. In September 1998, he joined Bankers Trust, which was later acquired by Deutsche Bank in 1999 as a regional compliance manager in the corporate banking division and left Deutsche Bank as the regional compliance product head in Asia in June 2001. He joined the Mandatory Provident Fund Schemes Authority in August 2001 as a senior manager and became a consultant for investment projects from May 2003 to September 2003. He has been a senior consultant in Ho, Sneddon, Chow, C.P.A. Limited since September 2003. Mr. Sneddon was also the independent non-executive director of Super Strong Holdings Limited (stock code: 8262), the shares of which are listed on GEM of the Stock Exchange, from April 2017 to May 2024.

Mr. Sneddon graduated from the University of Alberta in Canada, with a bachelor's degree in commerce in June 1985. He was admitted as chartered accountant by the Institute of Chartered Accountants of Alberta in January 1989.

Mr. Lew Chern Yong (劉振榮), aged 50, was appointed as an independent non-executive Director on 3 January 2023. He is responsible for providing independent judgement to the Board, ensuring legal compliance, safeguarding the Group's assets and reputation and enhancing shareholders' value.

Mr. Lew graduated from Nanyang Technological University in 1997 with a Bachelor's Degree in Accountancy with a Minor in Banking and Finance.

He started his career as an auditor with KPMG LLP where he was involved in several external audit assignments from July 1997 to April 2000. He then joined Wong Fong Industries Limited (stock code: SGX:1A1), the shares of which are listed on the Catalist Board of the Singapore Stock Exchange, in September 2003 as Business Development Manager. He was appointed as executive director of Wong Fong Industries Limited in January 2015 and has been re-designated to non-executive non-independent director since March 2019. He was also the executive chairman and director of Y Ventures Group Ltd. (stock code: SGX:1F1), the shares of which are listed on the Catalist Board of the Singapore Stock Exchange, from March 2019 to July 2022. He has been serving as an independent non-executive director of Euda Health Limited (stock code: EUDAW), the shares of which are listed on NASDAQ, since March 2023 and Hygieia Group Limited (stock code: 1650), the shares of which are listed on the Main Board of the Stock Exchange, since September 2023. He serves on the Alumni Advisory Board of Nanyang Business School (NTU NBS), Board of Director of Northlight School and executive committee of the Waste Management and Recycling Association of Singapore (WMRAS).

SENIOR MANAGEMENT

Mr. Chen Zebin (陳澤濱), aged 45, is the Group's farm manager who assists the CEO, Mr. Ma Chin Chew in the production and daily operations of layer farm. Mr. Chen joined the Group in 2009 as an assistant of general manager and was promoted to his current position in 2014.

Ms. Angela Lee Yuen Chen (李燕真), aged 40, joined the Group in October 2017, and is currently the Group's Head of Finance – Operations. She is primarily responsible for overseeing the daily finance and treasury operations, supply chain steps, accounts receivables and accounts payables function of the Group.

Ms. Lee has over 10 years of experience in accounting, internal and external audit and management. She was an assurance professional in an audit firm in Malaysia from 2009 to 2010. She was an accounts and administrative executive in a car park management consultancy company from 2010 to 2012. From November 2012 to August 2015, she was a senior account executive in a rental and leasing company. From August 2015 to July 2017, she was an accountant in a food processing company based in Singapore.

Ms. Lee was awarded a Postgraduate Diploma in Business Administration by Aventis School of Management in May 2015.

Ms. Yong Hui Ping (楊慧冰), aged 40, joined the Group in October 2021, and is currently the Group's Head of Finance – Reporting. She is primarily responsible for overseeing the financial, tax and other regulatory reporting functions of the Group.

Prior to joining the Group, from May 2017 to August 2021, Ms. Yong was a finance cum admin manager in a Singapore company dealing with import & export of chemical fertilizers and investment holding. Ms. Yong was an assurance professional in SC Mohan PAC, a public accounting practice based in Singapore from January 2015 to April 2017. From December 2008 to October 2014, Ms. Yong was an assurance professional in SJ Grant Thornton, a mid-size public accounting practice based in Malaysia.

Ms. Yong has been admitted as a member of the CPA Australia since March 2012 and Institute of Singapore Chartered Accountants (ISCA) since December 2016.

Mr. Shan Guang Long (單廣龍), aged 36, joined the Group in 2017, and is the Group's Veterinarian. Mr. Shan is primarily responsible and support the veterinary operation in the layer farm. He provides care for hens, monitors their health conditions throughout their lifespan. He holds a Diploma in Animal and Veterinary Medicine from the Shandong Animal Husbandry and Veterinary Vocational College in China.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. To accomplish this, the Company has adopted the principles and the code provisions of the Corporate Governance Code (the "CG Code") set out in part 2 of Appendix C1 of the GEM Listing Rules then in force in the FY2024. In particular, the Company regards a pre-eminent board of directors, sound internal controls and accountability to all shareholders as the core elements of its corporate governance principles. The Board will review at least annually the corporate governance practices of the Company to ensure its continuous compliance with the CG Code, and make appropriate changes if considered necessary. Throughout the FY2024, the Company, to the best knowledge of the Board, has complied with all applicable code provisions of the CG Code, save for the deviations from (i) code provision C.2.1 of the CG Code as disclosed in the section headed "Chairman and Chief Executive Officer" of this corporate governance report in this annual report, and (ii) code provision D.1.2 of the CG Code as disclosed below.

Pursuant to code provision D.1.2 of the CG Code, the management of the Company should provide all members of the Board with monthly updates to enable the Board and each Director to discharge their duties. Although the management of the Company has not provided the Board with monthly updates during the FY2024, the Company has based on business situation, provided the Board, from time to time, with updated business information to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. The Company considers that such business information arising out of the ordinary business provided to the Board from time to time instead of monthly updates are sufficient for the Board to discharge its duties. In the event if there are any significant updates, the Company will update all the Directors as early as practicable for discussion and resolution.

CORPORATE CULTURE

The Company recognises that a good corporate culture is vital to the corporate governance and has continuously developed a pragmatic and prudent corporate culture, which has been reflected in the overall operations and management of the Group, in order to facilitate the long-term sustainability of the Group. The Company makes every effort to uphold a high standard of business ethics and prohibition of any forms of bribery and corrupt practices within the Group. In order to establish a healthy corporate culture and promote high ethical standards within the Group, the Company has established an anti-corruption policy and a whistle-blowing policy, with an aim to encourage the Group's employees to report behaviour that is not in line with the principles of ethics and the Group's policy such as events that are non-compliant with the Group's policies, laws and regulations, general practice of financial reporting and internal control.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Upon specific enquiry, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the FY2024.

BOARD OF DIRECTORS

The Board is responsible for performing the corporate governance functions as set out in code provision A.2.1 of the CG Code, such as developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

The Board oversees the businesses, strategic decisions and performance of the Group and makes decisions objectively in the best interests of the Company and stakeholders.

The Board regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them.

During the FY2024, the chairman of the Board (the "Chairman"), being the chief executive officer of the Company (the "Chief Executive Officer"), has held an annual meeting with the independent non-executive Directors without the presence of the other executive Directors.

Board Composition

As at 31 March 2024 and the date of this annual report, the Board comprises three executive Directors and three independent non-executive Directors. The composition of the Board during the FY2024 and up to the date of this annual report was as follows:

Executive Directors

Mr. Ma Chin Chew *(Chairman and Chief Executive Officer)*
Ms. Lim Siok Eng
Mr. Tang Hong Lai

Independent non-executive Directors

Mr. Sneddon Donald William *(Chairman of the Audit Committee, and member of each of the Remuneration Committee and the Nomination Committee)*
Mr. Yuen Ka Lok Ernest *(Chairman of each of the Remuneration Committee and the Nomination Committee, and member of the Audit Committee)*
Mr. Lew Chern Yong *(member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee)*

The biographical information of each of the Directors are set out in the section headed "Biographies of Directors and Senior Management" on pages 14 to 15 of this annual report. To the best knowledge of the Board, there is no financial, business, family or other material/relevant relationship amongst the Directors, except that Ms. Lim Siok Eng is the spouse of Mr. Ma Chin Chew.

Other than the independent non-executive Directors, all executive Directors were appointed on a full-time basis. All Directors are required to comply with their responsibilities as Directors and their common law duties as directors.

BOARD OF DIRECTORS *(Continued)*

Board Composition *(Continued)*

Pursuant to code provision B.1.4 of the CG Code, the Board established mechanisms to ensure independent views and input are available to the Board. The Company is required to have at least three independent non-executive Directors and has adopted a policy ("Independent Views Policy") pursuant to which the independent non-executive Directors are required to, among others,

(i) keep up-to-date with the Company's business affairs and be involved in scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitor performance reporting;

(ii) bring independent judgment to bear on the Company's issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct, help review some of the Board's major decisions and the Company's performance in relation to corporate goals, monitor the Company's performance reporting; and

(iii) take the lead where potential conflicts of interest arise.

Further, the independent non-executive Directors shall make sufficient time available to discharge their responsibilities and should not accept an invitation to serve as an independent non-executive Director on the Board unless they can devote adequate time and effort to the work involved. Independent non-executive Directors sitting on multiple boards of directors of listed companies will need to ensure that they can dedicate adequate attention to each board and board committee.

In addition, the independent non-executive Directors shall at least annually attend meetings with the Chairman without the presence of other executive Directors to express their views. The Company also provides the Directors, upon reasonable request, to seek independent professional advice at the Company's expense. The Company will provide separate independent professional advice to Directors to assist them to perform their duties to the Company.

Pursuant to code provision E.1.9 of the CG Code, the Company generally should not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence. The independent non-executive Directors were not granted equity-based remuneration up to the date of this annual report.

The Company is required to review and has reviewed the implementation and effectiveness of such mechanisms on an annual basis.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has not had a separate Chairman and Chief Executive Officer during the FY2024, and both are now held by Mr. Ma Chin Chew ("Mr. Ma"). Mr. Ma, the founder and an Executive Director, has served as the Group's chief executive officer since 2009 and was appointed as Chairman in September 2018. Mr. Ma has been providing leadership to the Board and is responsible for overseeing the daily operations of the Group.

The Board believes that it is in the best interest of the Group to continue to have Mr. Ma acting as the Chairman and the Chief Executive Officer for effective and efficient strategic planning and execution of plans for the Group. The Company has put in place a sound check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in the circumstances of the Company.

BOARD OF DIRECTORS *(Continued)*

Independent Non-Executive Directors

During the FY2024, the Company has at all times met the requirements of the Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules relating to the appointment of three independent non-executive Directors representing more than one-third of the Board and with at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors of his independence pursuant to the requirements set out in Rule 5.09 of the GEM Listing Rules. The Board is of the view that all independent non-executive Directors are independent in accordance with the independence guidelines set out in the GEM Listing Rules for the FY2024.

Appointment and Re-Election of Directors

Each of the executive Directors has entered into a service contract with the Company for an initial term of two years with automatic renewal for successive terms of one year unless terminated by either party. Either party has the right to give not less than six months' written notice or six months' payments in lieu of notice to terminate the respective service contract.

Each of the independent non-executive Directors has entered into a service contract with the Company for a specific term of two years.

Save as disclosed aforesaid, none of the Directors has a service agreement or letter of appointment with the Company or any of its subsidiaries other than the contracts/letters of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

In compliance with the code provision B.2.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the articles of association of the Company (the "Articles"), all Directors (including the independent non-executive Directors) appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election. All Directors shall be subject to retirement by rotation at least once every three years and the retiring Director shall be eligible for re-election.

By virtue of article 84(1) of the Articles, Mr. Ma and Mr. Sneddon Donald William will retire from office by rotation at the forthcoming annual general meeting of the Company and being eligible, offer themselves for re-election at such meeting.

BOARD OF DIRECTORS *(Continued)*

Responsibilities of the Directors

The Board is responsible for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Board considers its current composition to have achieved good diversity in terms of educational background and professional experience.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board is responsible for decision-making in all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company.

Directors' and Officers' Liabilities

The Company has arranged appropriate insurance cover in respect of legal actions against the Directors that may arise out of the corporate activities, which is in compliance with the CG Code. The insurance coverage is reviewed on an annual basis.

BOARD AND GENERAL MEETINGS

The Board schedules four meetings a year at approximately quarterly intervals and organises additional meetings as and when required. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Articles. Notice of at least 14 days is given of a regular Board meeting to give all Directors an opportunity to attend. For other Board and committee meetings, reasonable notice time is generally given. Board papers are circulated at least 3 days (or other agreed period) before the regular Board meetings and/or other Board/Committees meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings. The company secretary of the Company (the "Company Secretary") prepares minutes and/or written resolutions and keeps records of matters discussed and decisions resolved at all Board/Committees meetings. The Company Secretary also keeps the minutes, which are open for inspection at any reasonable time on reasonable notice by any Director.

An annual general meeting of the Company was held on 7 September 2023 (the "2023 AGM"). The Company arranged for the notice to its shareholders to be sent for the 2023 AGM not less than 21 clear business days before the meeting. The chairman of the 2023 AGM explained the detailed procedures for conducting a poll and answered any questions from its shareholders on voting by poll. The Company announced the poll results of the 2023 AGM in the manner prescribed under the GEM Listing Rules. The Chairman and respective chairman of Audit Committee, Remuneration Committee and Nomination Committee have attended the 2023 AGM to ensure effective communication with shareholders.

BOARD AND GENERAL MEETINGS *(Continued)*

During the FY2024, five Board meetings and one general meeting were held. The attendance of the respective Directors at the Board meetings, general meeting and training records are set out below:

Name of Directors	Number of Board meetings attended/held	Number of general meetings attended/held	Attending seminar(s)/ Reading relevant materials in relation to the business or directors' duties Yes/No
Executive Directors			
Mr. Ma Chin Chew *(Chairman and Chief Executive Officer)*	5/5	1/1	Yes
Ms. Lim Siok Eng	5/5	1/1	Yes
Mr. Tang Hong Lai	5/5	1/1	Yes
Independent non-executive Directors			
Mr. Sneddon Donald William	5/5	1/1	Yes
Mr. Yuen Ka Lok Ernest	5/5	1/1	Yes
Mr. Lew Chern Yong	5/5	1/1	Yes

BOARD COMMITTEES

The Board has established, with written terms of reference, three board committees, namely audit committee, remuneration committee and nomination committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties. All Board committees are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are in line with the GEM Listing Rules and are available on the websites of the Stock Exchange and the Company, respectively.

Audit Committee

The Audit Committee was established on 15 August 2018 with written terms of reference which are not less exacting than those set out in Rules 5.28 to 5.33 of the GEM Listing Rules and code provision D.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. Sneddon Donald William, who serves as the chairman of the Audit Committee, Mr. Yuen Ka Lok Ernest and Mr. Lew Chern Yong. Mr. Sneddon Donald William has the appropriate accounting and financial related management expertise.

The primary duties of the Audit Committee are (but without limitation) to assist the Board in providing an independent view of the effectiveness of our Company's financial reporting process, risk management and internal control systems, scope of audit and appointment of external auditors, and arrangements to enable employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Group.

BOARD COMMITTEES *(Continued)*

Audit Committee *(Continued)*

The Audit Committee held five meetings during the FY2024. The Audit Committee had reviewed the Company's annual financial statements, annual, interim and quarterly reports; reviewed the risk management and internal control systems of the Group and considered these risk and management and internal control systems effective and adequate; met with the independent external auditors and reviewed reports from the independent external auditors regarding their audit on annual financial statements. Details of the attendance of members of the Audit Committee meeting are as follows:

Name of Members	Number of Attendance/ Number of Meetings
Mr. Sneddon Donald William *(Chairman of the Audit Committee)*	5/5
Mr. Yuen Ka Lok Ernest	5/5
Mr. Lew Chern Yong	5/5

Remuneration Committee

The Remuneration Committee was established on 15 August 2018 with written terms of reference which are not less exacting than those set out in Rules 5.34 to 5.36 of the GEM Listing Rules and code provision E.1 of the CG Code. The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Yuen Ka Lok Ernest, who serves as the chairman of the Remuneration Committee, Mr. Sneddon Donald William and Mr. Lew Chern Yong.

The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to the Board on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) making recommendations to the Board on the remuneration package of the Directors and senior management; (iii) reviewing and approving management's remuneration proposals with reference to the Board's corporate goals and objectives.

During the FY2024, one Remuneration Committee meeting was held for, inter alia, reviewing and making recommendations to the Board for considering certain remuneration-related matters of the Directors and senior management. Details of the attendance of members of the Remuneration Committee meeting are as follows:

Name of Members	Number of Attendance/ Number of Meetings
Mr. Yuen Ka Lok Ernest *(Chairman of Remuneration Committee)*	1/1
Mr. Sneddon Donald William	1/1
Mr. Lew Chern Yong	1/1

BOARD COMMITTEES *(Continued)*

Remuneration Committee *(Continued)*

Remuneration Policy for Directors and Senior Management

Each of the Directors will receive a fee which is subject to an annual adjustment at a rate to be reviewed and recommended by the Remuneration Committee and be determined at the discretion of the Board. The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload and the time devoted to the Group. The Group has adopted incentive bonus schemes and continues to maintain these schemes, seeking to align the financial well-being of the Group with that of the employees, and to retain the Directors and staff of high caliber.

Particulars of the Directors' remuneration for the FY2024 are set out in Note 9 of Notes to the Consolidated Financial Statements. Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographies of Directors and Senior Management" of this annual report for the FY2024 by band is set out below:

Remuneration band in HK$	Number of individuals
HK$Nil to HK$1,000,000	3
HK$1,000,001 to HK$1,500,000	1

Nomination Committee

The Nomination Committee was established on 15 August 2018 with written terms of reference which are not less exacting than those set out in code provision B.3 of the CG Code. The Nomination Committee consists of three independent non-executive Directors, namely Mr. Yuen Ka Lok Ernest, who serves as the chairman of the Nomination Committee, Mr. Sneddon Donald William and Mr. Lew Chern Yong.

The primary function of the Nomination Committee includes making recommendations to the Board to fill vacancies on the same, assessing the independence of independent non-executive Directors and reviewing of the diversity, structure, size and composition of the Board.

During the FY2024, one Nomination Committee meeting was held for, inter alia, reviewing the structure, size and composition of the Board and board diversity policy. Details of the attendance of members of the Nomination Committee meeting are as follows:

Name of Members	Number of Attendance/ Number of Meetings
Mr. Yuen Ka Lok Ernest *(Chairman of Nomination Committee)*	1/1
Mr. Sneddon Donald William	1/1
Mr. Lew Chern Yong	1/1

BOARD COMMITTEES *(Continued)*

Nomination Committee *(Continued)*

Board Diversity Policy

The Company recognises and embraces the benefits of diversity in the boardroom and has adopted the board diversity policy ("Board Diversity Policy"). The Board Diversity Policy sets out the approach to achieve diversity on the Board.

The Board has set measurable objectives to implement the Board Diversity Policy. The Nomination Committee has primary responsibility for identifying and giving recommendation suitably qualified candidates to become members of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate Board decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the implementation and effectiveness of the Board Diversity Policy annually, and where appropriate, revisions will be made with the approval from the Board.

During the FY2024, the Director's age, composition of experience at board level and length of service with the Company have fulfilled the objectives of the board diversity policy. During the FY2024, the six Directors come from various background and bring different professional experience, skills, knowledge and length of service to the Company and has contributed to the diversity of the Board. For details of the Directors, please refer to pages 14 to 15 of this annual report. Diversity of the Board has enabled the Board to discharge its duties and responsibilities effectively, supporting good decision making in view of the core businesses and strategy of the Company and support succession planning and development of the Board. In the future, the Company shall continue to seek to enhance the effectiveness of its Board by embracing the benefits of diversity in the boardroom. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Traditionally, egg production industry has been short of female talents due to culture influences, however, the Company still manage to attract female talents and the Company maintain an approximately workforce 7:3 (male:female) gender ratio for the FY2024. To achieve Board diversity, the Company has included at least one female director, namely Ms. Lim Siok Eng. The Board considers that its current composition has achieved good diversity in terms of the gender, educational background and professional experience of its members, and is appropriate for the businesses of the Company. In the future, the Board will review its composition from time to time taking into consideration of the specific needs for the overall Company and its subsidiaries' businesses, continue to pay due regard to the importance of diversity in identifying potential candidates for directorships and continue to ensure that gender is one of the factors to be considered in appointing Directors by the Nomination Committee.

Nomination Procedures, Process and Criteria

The Nomination Committee leads the process and makes recommendations for re-election and appointment to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in light of the challenges and opportunities facing by the Group, as well as the business development and requirements of the Group. In evaluating and selecting candidate(s) for directorship, the Nomination Committee considers the merit and contribution that the candidate(s) will bring to the Board, having due regard for the election criteria set out in the nomination policy adopted by the Company including, inter alia, the character and integrity; the accomplishment and experience; the commitment in respect of available time and relevant interest; the cultural and educational background, the gender, qualification, ethnicity, professional experience, skills, knowledge and length of service; the benefits of diversity on the existing Board as well as the independence of the candidates (for independent non-executive Director). Those election criteria are not exhaustive and conclusive. The Nomination Committee has the discretion to nominate any person as it considers appropriate. The Nomination Committee makes recommendation to the Board to appoint the appropriate person among the candidates nominated for directorship. Suitable candidate(s) shall be appointed by the Board in accordance with the Articles and the GEM Listing Rules.

CONTINUING PROFESSIONAL DEVELOPMENT

According to the code provision C.1.4 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skill. From time to time, Directors are provided with updates on the latest development and changes in the GEM Listing Rules and other relevant legal and regulatory requirements. During the FY2024, all Directors have participated in continuous professional development and a summary of which is set out on page 22 in this annual report.

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

The Directors acknowledge their responsibility for overseeing the preparation of the consolidated financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flows for each financial period. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The responsibilities of Forvis Mazars LLP (formerly known as Mazars LLP) in Singapore, the external auditor of the Company ("Auditor"), are set out in the Independent Auditor's Report on pages 40 to 46 in this annual report.

AUDITOR'S REMUNERATION

The Auditor did not provide any non-audit services to the Group for the years ended 31 March 2024 and 2023. The remuneration paid or payable to the Auditor in respect of audit services for the Group was as follows:

	2024 **S$'000**	2023 S$'000
Statutory audit services	**236**	201

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually.

As a part of the Group's risk management and internal control systems, appropriate policies and controls have been designed and established by the Group to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed.

However, the risk management and internal control systems can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

The Group has adopted a three-tier risk management approach to identify, evaluate and manage significant risks. The operating units of the Group, as the first line of defense, identify, evaluate, mitigate and monitor the risks, and report such risk management activities to the Group's management on a regularly basis. The Group's management, as the second line of defense, provides support to the operating units and ensures that the significant risks are properly managed and within the acceptable range and reports the situation to the Board at each regularly scheduled meeting. The Audit Committee assists the Board, as the final line of defense, conducts an annual review of the overall effectiveness of the Group's risk management and internal control systems.

During the FY2024, the management had outsourced its internal audit function to an independent internal audit firm ("Internal Auditor"). The Internal Auditor reports directly to the Audit Committee on all internal audit matters. The internal audit plan was submitted to the Audit Committee for approval prior to the commencement of the internal audit work. The Audit Committee reviewed the internal audit report and monitored the implementation of the improvements required on internal control weaknesses identified.

The Board has, through the management and the Audit Committee, conducted a review of the effectiveness of risk management and internal control systems of the Group for the FY2024. Based on the internal controls established and maintained by the Group, work performed by appointed Internal Auditor, the reviews performed by the management and the Audit Committee, the Board, with the concurrence of the Audit Committee, is of the opinion that the risk management and internal control systems were adequate and effective.

DISCLOSURE OF INSIDE INFORMATION

The Board acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules that any inside information should be announced immediately when it is the subject of a decision. The Group has established appropriate procedures and internal controls for the handling and dissemination of inside information. The Company regulates the handling and dissemination of inside information as set out in the Group's policy, which has covered the related disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The management of the Company believes that effective and proper investor relations play a vital role in creating shareholders' value, enhancing corporate transparency as well as establishing market confidence. As such, the Company has adopted a stringent internal control system to ensure true, accurate, complete and timely disclosure of relevant information pursuant to the requirements of the relevant laws and regulations and to ensure all shareholders of the Company have equal access to information of the Company. The Company has adopted shareholders communication policy for ensuring that the shareholders of the Company, both individual and institutional, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable shareholders of the Company to exercise their rights in an informed manner, and to allow shareholders of the Company and the investment community to engage actively with the Company. Information will be communicated to shareholders of the Company and the investment community mainly through the Company's financial reports (interim and annual reports) and other regulatory disclosures, general meeting(s), as well as through the websites of the Stock Exchange and the Company.

During the FY2024, members of the Board and the Auditor attended the 2023 AGM to answer questions from the shareholders of the Company. The Board has reviewed the implementation and effectiveness of the shareholder communication policy during the FY2024 and concludes that it is effective taking into account that some minority shareholders of the Company have personally approached the Company and asked for relevant information about the Group.

Dissemination of Corporate Communications

Pursuant to Rule 16.04A of the GEM Listing Rules and the Articles, the Company has adopted the arrangements to disseminate the future Corporate Communications (as defined under the GEM Listing Rules) of the Company to the shareholders of the Company electronically and only send corporate communications in printed form to the shareholders of the Company upon request. In this connection, the following arrangements have become effective from 5 January 2024:

1. ***Actionable Corporate Communications***

   The Company will send the Actionable Corporate Communications (as defined under the GEM Listing Rules) to the shareholders of the Company individually in electronic form by email. If the Company does not possess the email address of a shareholder of the Company or the email address provided is not functional, the Company will send the Actionable Corporate Communication in printed form together with a request form for soliciting the shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

2. ***Corporate Communications***

   The Company will make the Corporate Communications available on its website (www.eggriculturefoods.com) and the Stock Exchange's website (www.hkexnews.hk).

   The Company will not send a notice of publication of the website version of Corporate Communications to the shareholders of the Company. The shareholders of the Company are encouraged to proactively monitor the availability of all future Corporate Communications on the websites and access the website version of Corporate Communications by themselves.

For those shareholders of the Company who wish to receive a printed version of all future Corporate Communications and Actionable Corporate Communications or, if for any reason, have difficulty in gaining access to the Company's website, the Company will, upon receipt of request in writing by the shareholder of the Company to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to 8035-ecom@hk.tricorglobal.com, send future relevant Corporate Communications and/or Actionable Corporate Communications (as the case may be) to such shareholders of the Company in printed form free of charge.

Shareholders of the Company are encouraged to provide their up-to-date contact details (including electronic contact details) to the Hong Kong branch share registrar of the Company in order to facilitate timely and effective communications.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting and to put forward proposal at general meetings

Pursuant to article 58 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition and to add resolutions to an agenda of the meeting so convened. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Article 85 of the Articles provides that no person other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. Based on this, if a shareholder of the Company intends to propose any person for election as a Director, the following documents shall be effectively delivered to the Company's principal office in Hong Kong or the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, including: (i) the signed notice of the intention to propose the candidate for election as a Director in general meeting; and (ii) the signed notice of the candidate indicating his or her willingness to accept the election, together with (a) information about the candidate required to be disclosed under Rule 17.50(2) of the GEM Listing Rules, and (b) the written consent of the candidate to the publication of his or her personal data.

Shareholders' Enquiries to the Board

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the Company Secretary by mail to the principal office of the Company in Hong Kong. The Company Secretary forwards communications relating to matters within the Board's purview to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and complaints, to the Chief Executive Officer. Shareholders of the Company may also make enquiries with the Board at the general meetings of the Company.

COMPANY SECRETARY

The Company engages Mr. Ching Kim Fung, a member of The Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Chartered Governance Institute, as Company Secretary who supports the Board by ensuring good information inflow within the Board and that board policy and procedures are followed. All Directors have access to the advice and services of the Company Secretary on corporate governance and board practices and matters. For the FY2024, Mr. Ching Kim Fung has taken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

COMPLIANCE OFFICER

Ms. Lim Siok Eng was appointed as the compliance officer of the Company on 7 March 2018. Please refer to the Section headed "Biographies of Directors and Senior Management" on page 14 for her biographical information.

MANAGEMENT FUNCTIONS

The management, under the leadership of the Chief Executive Officer, is responsible for implementing the strategies and plans established by the Board and reporting on the Company's operations to the Board on a regular basis to ensure effective performance of the Board's responsibilities. The management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities.

CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the FY2024.

Report of the Directors

The Board of the Company is pleased to present the annual report together with the audited consolidated financial statements for the FY2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the production and sale of fresh eggs and processed egg products in Singapore.

BUSINESS REVIEW

Further discussion and analysis of the activities of the Group in the FY2024, and an indication of likely future developments in the Group's business as required by Schedule 5 to the Companies Ordinance, Chapter 622, can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. Those discussions form part of this Report of the Directors.

RESULT AND DIVIDENDS

The results of the Group for the FY2024 are set out in the consolidated statement of comprehensive income in this annual report. The Board does not recommend the payment of any final dividend to shareholders of the Company for the FY2024.

The Company intends to strike a balance between maintaining sufficient capital to grow the business and rewarding the shareholders of the Company. The Board has adopted a dividend policy, which will be reviewed by the Board from time to time, pursuant to which in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, the following factors:

- the Group's actual and expected financial results;
- the Group's retained earnings and distributable reserves;
- the Group's results of operation and cash flows;
- the level of debts to equity ratio and return on equity of the Group;
- Shareholders' interests;
- general business conditions and strategies;
- the Group's capital requirements;
- contractual restrictions on the payment of dividends by the Company to Shareholders or by the Group's subsidiaries to the Company;
- taxation considerations;
- possible effects on the Group's creditworthiness;
- general economic conditions;
- other internal and external factors;
- statutory and regulatory restrictions; and
- any other factors the Board may deem relevant.

The above factors are for reference only, and not meant to be exhaustive and decisive. The Board has the discretion to determine, as it considers appropriate.

CHARITABLE DONATIONS

During the FY2024, charitable and other donations, both in-kind and cash, made by the Group amounted to approximately S$16,000 (2023: S$30,000).

CLOSURE OF REGISTER OF MEMBERS

As the forthcoming annual general meeting of the Company ("AGM") will be held on 23 August 2024 (Friday), the register of members of the Company will be closed from 20 August 2024 to 23 August 2024 (both days inclusive) for the said AGM or any adjournment thereof. All transfer of the Company's shares together with the relevant share certificates must be lodged with the Company's branch share registrar and transfer office no later than 4:30 p.m. on 19 August 2024 in order to qualify for the right to attend and vote at the meeting (or any adjournment thereof). The share registrar and transfer office is at:

Address: Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

GROUP FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the five financial years ended 31 March 2024 are set out on page 108 in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements of the property, plant and equipment of the Group during the FY2024 are set out in Note 15 of Notes to the Consolidated Financial Statements.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group values the importance of protecting the environment in its process of operation. The Group has complied with the laws and regulations regarding environmental protection and adopted effective measures to achieve efficient use of resources and energy saving. The Group is committed to ensuring that the Group's operation is in compliance with applicable laws and regulations. As far as the Directors are aware of, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2024 are set out in Note 28 of Notes to the Consolidated Financial Statements.

SHARE CAPITAL

The Company's total issued share capital as at 31 March 2024 was 500,000,000 ordinary shares of HK$0.01 each. Details of share capital of the Company during the FY2024 are set out in Note 24 of Notes to the Consolidated Financial Statements.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group. The remuneration of the Directors is determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

Details of the Directors' remuneration and the five highest paid individuals are set out in Note 9 of Notes to the Consolidated Financial Statements.

RETIREMENT BENEFIT SCHEME

Details of the Group's retirement benefit scheme are set out in Note 9 of Notes to the Consolidated Financial Statements.

RESERVES

Details of movements in the reserves of the Group in the FY2024 are set out in Note 25 of Notes to the Consolidated Financial Statements.

As at 31 March 2024, the Company's reserves available for distribution to the shareholders were approximately S$32.7 million. Under the Companies Act (As Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Articles and provided that immediately following the distribution or dividend payment, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Articles, dividends shall be distributed out of the retained earnings, including the share premium, of the Company.

DIRECTORS

The Directors of the Company during the FY2024 and up to the date of this annual report were:

Executive Directors

Mr. Ma Chin Chew *(Chairman and Chief Executive Officer)*
Ms. Lim Siok Eng *(Compliance Officer)*
Mr. Tang Hong Lai

Independent Non-executive Directors

Mr. Yuen Ka Lok Ernest
Mr. Sneddon Donald William
Mr. Lew Chern Yong

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, there are changes in the information required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules in the course of the Director's term of office since the publication of the interim report for the six months ended 30 September 2023 and up to the date of this annual report. Mr. Sneddon Donald William resigned as an independent non-executive director of Super Strong Holdings Limited (stock code: 8262), the shares of which are listed on GEM of the Stock Exchange, with effect from 31 May 2024.

Save as disclosed above and in this annual report, there are no other matters that need to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules up to the date of this annual report.

CONFIRMATION OF INDEPENDENCE

An annual confirmation of independence pursuant to the requirements under Rule 5.09 of the GEM Listing Rules has been received from each of the INEDs.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on in the section headed "Biographies of Directors and Senior Management" in this annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY

In the FY2024, the Company has arranged Directors' and officers' liability insurance for all Directors and senior management of the Company. The insurance covers the corresponding costs, charges, expenses and liabilities for legal action of corporate activities against them.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group during FY2024 or existed at the end of FY2024.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ITS ASSOCIATED CORPORATION

As at 31 March 2024, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO")) held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provision of the SFO) or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.45 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares of the Company

Name of the Directors	Capacity/Nature of Interest	Number of Shares Held[1]	Approximate Percentage
Mr. Ma Chin Chew[2]	Interest of controlled corporation	294,800,000 (L)	58.96%
Ms. Lim Siok Eng[1]	Interest of spouse	294,800,000 (L)	58.96%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares.

(2) Radiant Grand International Limited is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the shares which Radiant Grand International Limited is interested in by virtue of the SFO. Ms. Lim Siok Eng is the spouse of Mr. Ma. Under the SFO, Ms. Lim Siok Eng is deemed to be interested in the shares of the Company held by Mr. Ma through Radiant Grand International Limited.

Save as disclosed above, as at the date of this annual report, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2024, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares of the Company

Name	Capacity/Nature of Interest	Number of Shares Held[1]	Approximate Percentage
Radiant Grand International Limited[2]	Beneficial owner	294,800,000 (L)	58.96%
Elite Ocean Ventures Limited[3]	Beneficial owner	80,200,000 (L)	16.04%
Mr. Lim Joo Boon[3]	Interest of controlled corporation	80,200,000 (L)	16.04%
Ms. Tan Bee Hong[4]	Interest of spouse	80,200,000 (L)	16.04%

Notes:

(1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the shares.

(2) Radiant Grand International Limited is held as to 100% by Mr. Ma. Therefore, Mr. Ma is deemed to be interested in the shares which Radiant Grand International Limited is interested in by virtue of the SFO.

(3) Elite Ocean Ventures Limited is held as to 100% by Mr. Lim Joo Boon. Therefore, Mr. Lim is deemed to be interested in the shares which Elite Ocean Ventures Limited is interested in by virtue of the SFO.

(4) Ms. Tan Bee Hong is the spouse of Mr. Lim Joo Boon. Under the SFO, Ms. Tan Bee Hong is deemed to be interested in the shares of the Company held by Mr. Lim Joo Boon through Elite Ocean Ventures Limited.

Save as disclosed above, as at the date of this annual report, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register to be kept by the Company under Section 336 of the SFO.

KEY RELATIONSHIPS WITH STAKEHOLDERS

Employees

The Group recognises employees as our valuable assets. The Group provide competitive remuneration package to attract, motivate and retain appropriate and suitable personnel to serve the Group. The Group have also adopted an annual review system to assess the performance of staff, which forms the basis of our decisions with respect to salary raises and promotions.

Customers

We have established long-term business relationships with some of customers for over 10 years. The Group's sales and marketing team maintains contacts with these customers on a regular basis to understand their needs and to provide support to their business. The credit terms granted to the Group's major customers are in line with those granted to the Group's other customers. For a detailed discussion of the credit terms granted to the Group's customers, and the recoverability and the concentration of credit risk of the Group's trade receivables, please refer to Notes 3 and 20 of Notes to the Consolidated Financial Statements respectively.

Suppliers

The Group encompasses working relationships with suppliers to meet customers' needs in an effective and efficient manner. The Group communicate with suppliers regularly to ensure that they are committed to delivering high-quality and sustainable products and services. The Group is committed to establishing close and long-term cooperation relationships with its business partners.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 21% of the total sales for the year and sales to the largest customer included therein amounted to approximately 8%. Purchases from the Group's five largest suppliers accounted for approximately 68% of the total purchases for the year and purchase from the largest supplier included therein amounted to approximately 24%. None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the FY2024 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the FY2024, the Group had no transactions which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

COMPETING BUSINESS AND CONFLICT OF INTERESTS

As at the date of report, none of the Directors, substantial shareholders of the Company and any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly, or indirectly, with the business of the Group or has any other conflict of interests with the Group.

DEED OF NON-COMPETITION

As disclosed in the section headed "Relationship with Controlling Shareholders – Non-Competition undertakings" in the Prospectus, the controlling shareholders of the Company have entered into a deed of non-competition dated 15 August 2018, which contains certain non-compete undertakings (the "Non-Compete Undertakings") in favour of the Company (for itself and as trustee for each member of the Group).

Pursuant to these Non-Compete Undertakings, the controlling shareholders of the Company have unconditionally and irrevocably undertaken to the Company (for itself/himself and for the benefits of members of our Group) that it/he would not, and would procure that its/his close associates (other than any members of our Group) would not, directly or indirectly, either on its/his own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee, or otherwise, and whether for profit, reward or otherwise) any activity or business which is or may be in competition, directly or indirectly, with the business carried on or contemplated to be carried on by any member of our Group from time to time.

The Company has received written confirmation from each of the controlling shareholders of the Company which confirmed that he/it has complied with the Deed of Non-Competition for the FY2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the FY2024.

CORPORATE GOVERNANCE CODE (THE "CODE")

Details of the corporate governance practice adopted by the Company are set out on page 17 of this annual report.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme (the "Scheme") on 15 August 2018, the principal terms of which are set out in the Appendix V to the Prospectus. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

For the FY2023, no share option was granted, exercised, expired or lapsed or cancelled and there is no outstanding share option under the Scheme.

(1) The purpose of the Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions of the eligible participant (as defined in paragraph (b) below) have had or may have made to our Group.

(2) Eligible participant includes (i) any Directors (including non-executive Director and independent non-executive Directors) and any employee (whether full time or part time) of the Group; (ii) any advisers, consultants, suppliers, customers and agents to our Group; and (iii) any other person, who at the sole discretion of the Board, has contributed to the Group.

(3) The total number of shares in respect of which options may be granted under this Scheme and any other share option schemes shall not in aggregate exceed 50,000,000 shares, being 10% of the total number of shares in issue.

(4) Unless there is prior approval from the Company's shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each eligible participant (including both exercise and outstanding options under the Scheme) in any 12-month period shall not exceed 1% of the issued shares. Where any further grant of options to an eligible participant would result in excess of such limit, such further grant must be subject to the approval of the Company's shareholders at general meeting with such eligible participant and his close associates abstaining from voting.

(5) Upon acceptance of an option to subscribe for shares granted pursuant to the Scheme, the eligible participant shall pay HK$1.00 to the Company by way of consideration for the grant. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(6) Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and granted.

(7) The subscription price shall be such price as determined on the date of grant by the Board, and shall be at least the highest of: (a) the closing price per share as stated in the Stock Exchange's daily quotation sheet on the offer date; (b) the average of the closing prices per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (c) the nominal value of the share.

(8) The Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, after which no further options will be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other aspects with respect to options granted during the life of the Share Option Scheme.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information that is publicly available to the Company, at least 25% of the Company's issued share capital were held by the public as at the date of this annual report.

AUDITOR

The consolidated financial statements for the year ended 31 March 2024 were audited by Forvis Mazars LLP (formerly known as Mazars LLP) in Singapore, who shall retire and, being eligible, offer themselves for re-appointment at the AGM. A resolution for the re-appointment of Forvis Mazars LLP (formerly known as Mazars LLP) in Singapore as auditors of the Company will be proposed at the AGM.

AUDIT COMMITTEE

The Audit Committee has discussed and reviewed the annual report for the FY2024, and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures has been made.

On behalf of the Board
Eggriculture Foods Ltd.
Mr. Ma Chin Chew
Chairman, Chief Executive Officer and Executive Director

Singapore, 24 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EGGRICULTURE FOODS LTD.
(INCORPORATED IN CAYMAN ISLANDS WITH LIMITED LIABILITY)

OUR OPINION

We have audited the consolidated financial statements of Eggriculture Foods Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 47 to 107, which comprise the consolidated statement of financial position of the Group as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board, and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

KEY AUDIT MATTERS

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

Key Audit Matters	Our Audit Response
Valuation of biological assets Refer to Note 14 of the consolidated financial statements. As at 31 March 2024, the fair value of the Group's biological assets amounts to S$20.5 million, accounting for 18.88% of the Group's total assets. The value of biological assets is measured at fair value less costs to sell. The fair value is derived based on the discounted cash flow of the underlying biological assets which requires estimates for market price of the agriculture produce, purchase price of immature hens and quails, mortality rate and expenses incurred to bring these hens and quails to maturity when commercial egg production commences. We focused on this area due to the significant judgement and estimation uncertainties included in the valuation of the biological assets.	Our audit procedures included, and were not limited to, the following: • Assessed the competence, capabilities, and objectivity of the professional valuer engaged by the Group; • Validated, on a sample basis, the accuracy of underlying financial information provided by management to the valuer; • Engaged external valuation specialist to independently assess the appropriateness of valuation methodologies and selected valuation assumptions adopted for the underlying valuation; and • Assessed the appropriateness of the presentation and disclosure in the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matters	Our Audit Response
Impairment assessment of goodwill Refer to Note 17 of the consolidated financial statements. As at 31 March 2024, the carrying amount of Group's goodwill was S$1,339,000 after net off with an impairment loss of S$171,000 made in the current year. In accordance with IAS 36 *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment at least annually. The goodwill acquired in a business combination is allocated to the groups of cash-generating units ("CGU") that are expected to benefit from the synergies of that business combination in which goodwill arose. The recoverable amounts are determined by estimates of value-in-use of the respective CGUs, using various inputs and assumptions such as forecasted revenue, terminal growth rate, and discount rate. As these assumptions require significant judgement and estimates, we considered the impairment assessment of goodwill to be a key audit matter.	Our audit procedures included, and were not limited to, the following: • Obtained an understanding of the Group's process in assessing the goodwill for impairment; • Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use model, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; • Engaged in-house valuation specialist to independently assess the appropriateness of valuation methodologies and selected valuation assumptions adopted for the underlying valuation; • Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU after taking into consideration of reasonably possible changes to the managements' key inputs and assumptions; and • Reviewed the completeness and appropriateness of corresponding disclosures made in the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matters	Our Audit Response
Accounting for business combination Refer to Note 29 of the consolidated financial statements. During the financial year, the Group acquired an egg distribution business from external party for cash consideration of S$900,000. That acquisition was accounted for using the acquisition method where the Group performed a Purchase Price Allocation ("PPA") exercise. An independent professional valuer was engaged by management to assist them in the PPA exercise and determination of the fair values of acquired assets and liabilities. In accordance with IFRS 3 Business Combinations, the Group is required to recognise and measure the identifiable assets (include intangible assets) acquired, the liabilities assumed and any non-controlling interest in the acquiree at their fair values at the date of acquisition. Any excess of the fair value of the consideration transferred and the amount of the non-controlling interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill. Given the significant management judgement required in the PPA exercise, we considered the accounting of the business combination to be a key audit matter.	Our audit procedures included, and were not limited to, the following: • Obtained and read the agreement in relation to this acquisition to obtain an understanding of the transaction and the key terms; • Evaluated the independence, objectivity and competency of the independent external valuer engaged for the management's PPA exercise; • Considered the valuation methodologies used and assessed the reasonableness of the key assumptions used by the independent external valuer, which included the fair valuation of acquired assets and assumed liabilities in consultation with our in-house valuation specialist; • Reviewed identification of the acquired assets and assumed liabilities by corroborating this identification with management and the understanding of the business; and • Reviewed the completeness and appropriateness of corresponding disclosures made in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and the independent auditor's report thereon.

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lai Keng Wei.

FORVIS MAZARS LLP
(FORMERLY KNOWN AS MAZARS LLP)
Public Accountants and Chartered Accountants
Singapore
135 Cecil Street
#10-01, Singapore 069536
24 June 2024

Consolidated Statement of Financial Position

As at 31 March 2024

	Note	2024 S$'000	2023 S$'000
ASSETS			
Non-current assets			
Biological assets	*14*	**12,257**	7,829
Property, plant and equipment	*15*	**50,096**	46,318
Intangible assets	*17*	**2,161**	1,794
Investments in insurance contracts	*18*	**2,396**	2,277
Other receivables	*20*	**–**	418
		66,910	58,636
Current assets			
Biological assets	*14*	**8,233**	3,755
Inventories	*19*	**3,765**	3,781
Trade and other receivables	*20*	**17,470**	16,526
Cash and cash equivalents	*21*	**12,121**	8,739
		41,589	32,801
Total assets		**108,499**	91,437
LIABILITIES			
Non-current liabilities			
Lease liabilities	*16*	**399**	656
Bank borrowings	*23*	**16,096**	11,908
Deferred income tax liabilities	*11*	**1,815**	1,447
		18,310	14,011
Current liabilities			
Trade and other payables	*22*	**11,369**	14,413
Deferred grant income		**–**	909
Current income tax liabilities		**4,365**	1,460
Lease liabilities	*16*	**343**	523
Bank borrowings	*23*	**8,230**	13,463
		24,307	30,768
Total liabilities		**42,617**	44,779
NET ASSETS		**65,882**	46,658

	Note	2024 S$'000	2023 S$'000
EQUITY			
Share capital	*24*	**890**	890
Share premium	*25(a)*	**8,544**	8,544
Other reserve	*25(b)*	**9,767**	9,767
Retained earnings		**46,530**	27,215
		65,731	46,416
Non-controlling interests		**151**	242
Total equity		**65,882**	46,658

The consolidated financial statements on pages 47 to 107 were approved for issue by the Board of Directors on 24 June 2024 and were signed on its behalf:

Ma Chin Chew
Director

Lim Siok Eng
Director

The notes on pages 53 to 107 are an integral of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 Results before biological assets and agricultural produce fair value adjustments S$'000	2024 Biological assets and agricultural produce fair value adjustments S$'000	2024 Total S$'000	2023 Results before biological assets and agricultural produce fair value adjustments S$'000	2023 Biological assets and agricultural produce fair value adjustments S$'000	2023 Total S$'000
Revenue	5	**108,417**	**–**	**108,417**	95,766	–	95,766
Cost of sales	8	**(79,678)**	**(26,458)**	**(106,136)**	(75,511)	(16,844)	(92,355)
Gross profit		**28,739**	**(26,458)**	**2,281**	20,255	(16,844)	3,411
Other income							
– Interest	6	**3**	**–**	**3**	49	–	49
– Others	6	**503**	**–**	**503**	998	–	998
Other losses – net							
– Impairment loss on financial assets		**(113)**	**–**	**(113)**	(116)	–	(116)
– Others	7	**(79)**	**–**	**(79)**	(42)	–	(42)
Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest		**–**	**27,053**	**27,053**	–	16,880	16,880
Gain arising from changes in fair value of biological assets less estimated costs to sell	14	**–**	**8,842**	**8,842**	–	3,593	3,593
Selling and distribution expenses	8	**(6,913)**	**–**	**(6,913)**	(6,980)	–	(6,980)
Administrative expenses	8	**(7,122)**	**–**	**(7,122)**	(6,813)	–	(6,813)
Finance costs	10	**(1,238)**	**–**	**(1,238)**	(607)	–	(607)
Profit before income tax		**13,780**	**9,437**	**23,217**	6,744	3,629	10,373
Income tax expense	11	**(3,993)**	**–**	**(3,993)**	(1,698)	–	(1,698)
Profit after tax and total comprehensive income for the year		**9,787**	**9,437**	**19,224**	5,046	3,629	8,675
Profit after tax and total comprehensive income attributable to:							
Owners of the Company		**9,878**	**9,437**	**19,315**	5,011	3,629	8,640
Non-controlling interests		**(91)**	**–**	**(91)**	35	–	35
		9,787	**9,437**	**19,224**	5,046	3,629	8,675
Earnings per share ("EPS") for profit attributable to equity holders of the Company for the year:							
– Basic and diluted (S$ – in cents)	12			**3.86**			1.73

The notes on pages 53 to 107 are an integral of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Share capital (Note 24) S$'000	Share premium (Note 25(a)) S$'000	Other reserve (Note 25(b)) S$'000	Retained earnings S$'000	Equity S$'000	Non-controlling interests S$'000	Total Equity S$'000
At 31 March 2022 and 1 April 2022	890	8,544	9,767	18,575	37,776	–	37,776
Profit for the year and total comprehensive income for the year	–	–	–	8,640	8,640	35	8,675
Transactions with owners:							
Shares acquired by non-controlling interests[(a)(b)]	–	–	–	–	–	207	207
At 31 March 2023 and 1 April 2023	**890**	**8,544**	**9,767**	**27,215**	**46,416**	**242**	**46,658**
Profit for the year and total comprehensive income for the year	**–**	**–**	**–**	**19,315**	**19,315**	**(91)**	**19,224**
At 31 March 2024	**890**	**8,544**	**9,767**	**46,530**	**65,731**	**151**	**65,882**

Note a:

In prior financial year, New Global Alliance Pte. Ltd., an indirectly owned subsidiary of the Company, issued and allotted 449,999 new shares of S$1 each. The Group subscribed for 292,499 shares for a consideration of S$292,499, while the other 157,500 shares were subscribed by the non-controlling interest for a consideration of S$157,500.

Note b:

In prior financial year, Hometown Fruits and Vegetables Pte. Ltd., an indirectly owned subsidiary of the Company, issued and allotted 199,999 new shares of S$1 each. The Group subscribed for 149,999 shares for a consideration of S$149,999, while the other 50,000 shares were subscribed by the non-controlling interest for a consideration of S$50,000.

The notes on pages 53 to 107 are an integral of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Note	2024 S$'000	2023 S$'000
Cash flows from operating activities			
Profit for the year		**19,224**	8,675
Adjustments for:			
– Income tax expense	*11*	**3,993**	1,698
– Depreciation of property, plant and equipment	*15*	**4,126**	3,517
– Amortisation of intangible assets	*17*	**434**	381
– Impairment of goodwill	*17*	**171**	–
– Loss on disposal of property, plant and equipment	*7*	**31**	3
– Gain from derecognition of right-of-use assets	*16*	**(2)**	–
– Impairment loss on trade receivable, net		**113**	116
– Gain arising from initial recognition of agriculture produce at fair value less estimated costs to sell at point of harvest – unrealised		**(774)**	(180)
– Gain arising from changes in fair value of biological assets less estimated costs to sell	*14*	**(8,842)**	(3,593)
– Interest income	*6*	**(3)**	(49)
– Finance expenses	*10*	**1,238**	607
– Unrealised currency translation (gains)/losses		**(39)**	33
– Gain on investments in insurance contracts	*18*	**(86)**	(56)
		19,584	11,152
Changes in working capital:			
– Inventories		**790**	(636)
– Trade and other receivables		**(770)**	(1,651)
– Trade and other payables		**(3,494)**	5,509
Cash generated from operations		**16,110**	14,374
Income tax paid		**(792)**	(588)
Net cash provided by operating activities		**15,318**	13,786
Cash flows from investing activities			
Additions to property, plant and equipment	*15*	**(13,435)**	(14,811)
Acquisition of businesses	*29*	**(450)**	(1,098)
Additions to biological assets	*14*	**(961)**	(661)
Proceeds from sale of biological assets	*14*	**897**	580
Proceeds from disposal of property, plant and equipment	*15*	**8**	5
Grants received relating to assets under construction		**5,533**	–
Prepayment for property, plant and equipment		**(916)**	(1,047)
Interest received	*6*	**3**	49
Net cash used in investing activities		**(9,321)**	(16,983)

The notes on pages 53 to 107 are an integral of these consolidated financial statements.

	Note	2024 S$'000	2023 S$'000
Cash flows from financing activities			
Proceeds from finance lease		**147**	–
Proceeds from non-controlling interest		**–**	207
Proceeds from bank borrowings		**10,770**	9,000
Repayment of bank borrowings		**(11,809)**	(6,006)
Repayment of lease liabilities		**(482)**	(707)
Interest paid	*10*	**(1,241)**	(627)
Net cash (used in)/provided by financing activities		**(2,615)**	1,867
Net increase/(decrease) in cash and cash equivalents		**3,382**	(1,330)
Cash and cash equivalents at beginning of the year		**8,739**	10,069
Cash and cash equivalents at end of the year	*21*	**12,121**	8,739

The notes on pages 53 to 107 are an integral of these consolidated financial statements.

1. GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

Eggriculture Foods Ltd. (the "Company") was incorporated in the Cayman Islands on 12 February 2018 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Unit 1104, 11/F., Keybond Commercial Building, 38 Ferry Street, Jordan, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the production and sale of fresh eggs and processed egg products in Singapore. The immediate and ultimate holding company of the Company is Radiant Grand International Limited ("Radiant Grand"), a company which was incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Ma Chin Chew ("Mr. Ma"). The shares of the Company are listed on the GEM (the "Listing") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 7 September 2018.

The consolidated financial statements are presented in thousands of Singapore Dollars ("S$") and all values are rounded to the nearest thousand except when otherwise indicated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of biological assets and agricultural produce. The investments in insurance contracts are subsequently stated at the cash surrender value.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

New and revised IFRS Accounting Standards

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for annual periods beginning on or after 1 April 2023. The adoption of these new or revised IFRSs did not result in changes to the Group's accounting policies, and has no material effect on the current or prior year's consolidated financial statements and is not expected to have a material effect on future periods.

The Group adopted the amendments to *IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies* in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

IFRS Accounting Standards issued but not yet effective

At the date of authorisation of these financial statements, the following IFRS Accounting Standards that are relevant to the Group were issued but not yet effective:

IFRS Accounting Standards	Title	Effective date (annual periods beginning on or after)
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024
IFRS 16	Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
IAS 1	Amendments to IAS 1: Non-current Liabilities with Covenants	1 January 2024
IFRS 10, IAS 28	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
IAS 7, IFRS 7	Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
IAS 21	Amendments to IAS 21: Lack of Exchangeability	1 January 2025
IFRS 9, IFRS 7	Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management is in the process of assessing the possible impact of the adoption of the aforementioned revised/new standards, but is not yet in a position to reasonably estimate their impact on the consolidated financial statements of the Group in the period of their initial adoption.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is recognised separately as intangible assets and carried at cost less accumulated impairment losses. If the total of consideration transferred, non-controlling interest recognised and previously held equity interest measured is less than the fair value of the net identifiable assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee's net assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.3 Revenue recognition

(a) Sales of fresh eggs, processed eggs, other egg-related products, fruits and vegetables

Revenue from the sales of fresh eggs, processed eggs, other egg-related products, fruits and vegetables represent the invoiced value, net of value-added tax, rebates and discounts. Revenue from sale of goods is recognised at a point in time when control of the goods has been transferred to the customer, generally on delivery of the goods to the customer. Delivery occurs when the goods have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contracts. In determine the transaction price, the Group refers it back to sales contracts. No significant element of financing is deemed present as the sales are typically made with a credit term of within 60 days, which is consistent with market practice.

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

(b) Interest income

Interest income is recognised using the effective interest method.

2.4 Government grants

Grants from the government are recognised as a receivable when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Biological assets

Biological assets represent laying hen stocks held for production of eggs, breeder, broiler and laying quail stocks held for production of eggs and selling. These assets are stated at fair value less estimated costs to sell such as transaction costs. Costs to sell include the incremental costs directly attributable to the sale of biological assets but excludes finance costs and income taxes. Gains or losses arising from changes in fair values of biological assets are recorded in the consolidated statement of comprehensive income for the year in which they arise.

Non-current biological assets refer to hens which are expected to produce eggs for more than twelve months from the period end date, while current biological assets refer to hens and quails which are expected to produce eggs or sell for less than twelve months from the period end date.

The following are further information on determining the fair value of each livestock.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Biological assets *(Continued)*

Laying hens, breeder quails and laying quails

The fair value of the laying hen, breeder quail and laying quail stocks are determined using a discounted cash flow model. The expected cash flow from hens and quails are determined based on the expected market price and the estimated yield of the agricultural produce, being fresh eggs, mortality rate, estimated egg laying period, selling price of mature hens and quails, and expenses incurred to bring these hens and quails to maturity when commercial egg production commences. The agricultural produce is measured at its fair value less estimated costs to sell and transferred to inventories at these values when harvested.

Finance charges are not capitalised. All expenses incurred, including vaccines and medicines, in maintaining the hens and quails are recognised in the consolidated statement of comprehensive income. Proceeds from the sale of hens and quails are recognised as a deduction to the carrying amount of the biological assets.

Broiler quails

The fair value of the broiler stocks is determined using a discounted cash flow model. The expected discounted cash flow from broiler quails is determined based on the expected selling price of broilers less estimated costs incurred over the life span until the point of sale.

Finance charges are not capitalised. All expenses incurred, including vaccines and medicines, in maintaining the quails are recognised in the consolidated statement of comprehensive income. Proceeds from the sale of broiler quails are recognised as revenue, and the fair value less the cost to sell from these sales are deducted from the carrying amount of the biological assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.6 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.8 on borrowing costs).

Assets under construction represent processing plant under development which is stated at cost less any accumulated impairments losses, and is not depreciated.

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold buildings and improvements	Over the shorter of the lease terms or useful lives of 5 to 10 years
Leasehold land	Over the shorter of the lease terms
Plant and machinery	5 to 10 years
Equipment and furniture	5 to 10 years
Motor vehicles	5 to 10 years

The estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the consolidated statements of comprehensive income when the changes arise.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the consolidated statement of comprehensive income when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the consolidated statement of comprehensive income within "Other gains/(losses) – net".

2.7 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.7 Intangible assets *(Continued)*

(b) Customer relationship

Customer relationship acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Management assesses that the Group's products are common food and that the nature of this industry is relatively stable. With the Group's ability to ensure stability of products supply, in view of the long-term relationship with its customers and historical attrition rate of the business, the useful lives of the customer relationship is estimated to be 2 to 5 years by the management.

Customer relationship recognised as assets are amortised using the straight-line method over the estimated useful lives of 2 to 5 years.

(c) Acquired computer software

Acquired computer software are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful life of 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each financial year-end. The effects of any revision are recognised in profit or loss when the changes arise.

(d) Trade secrets

Trade secrets acquired in a business combination pertains to knowledge on business operations and are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Trade secrets recognised as assets are amortised using the straight-line based on timing of projected cash flows of the trade secrets over their estimated useful lives. The useful lives of the trade secrets are estimated to be 6 years by the management.

2.8 Borrowing costs

General and specific borrowing costs that are directly attributable to the construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction expenditures that are financed by general borrowings.

Other borrowing costs are expensed in the period in which they are incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of non-financial assets

Goodwill are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Property, plant and equipment, right-of-use assets and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the consolidated statement of comprehensive income.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the consolidated statement of comprehensive income.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets as those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, financial asset at amortised cost are measured at transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Financial assets *(Continued)*

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

For trade receivables, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents, deposits and other receivables, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

Note 3 details how the Group determines whether there has been a significant increase in credit risk.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or its subsidiaries, or the counterparty.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of reporting period, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of comprehensive income.

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.14 Leases

When Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. For lease of storage buildings for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

Right-of-use assets are presented within “Property, plant and equipment”.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.14 Leases *(Continued)*

When Group is the lessor – subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sub-lease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sub-lease is recognised in the consolidated statement of comprehensive income. Lease liability relating to the head lease is retained in the consolidated statement of financial position, which represents the lease payments owed to the head lessor.

2.15 Inventories

Inventories includes feeds, fresh eggs, processed eggs, packaging materials, fruits and vegetables are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Fresh eggs are agricultural produce harvested from the Group's biological assets. Upon harvest, agricultural produce are initially recognised at their fair values less costs to sell at the point of harvest. Any gain or loss arising on initial recognition of such fair values (i.e. the difference between the fair values less costs to sell of the agricultural produce at the point of harvest and the breeding costs incurred to bring such agricultural produce to harvest) is recognised in the consolidated statement of comprehensive income in the period of harvest. Agricultural produce is then transferred to inventories and are carried at the lower of cost and net realisable value. Upon subsequent sales, such amount of the inventories initially recognised is charged to the cost of sales in the consolidated statement of comprehensive income.

2.16 Income taxes

Tax expense comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial year-end in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.16 Income taxes *(Continued)*

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial year-end and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to end of reporting year.

(c) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Singapore Dollars, which is the functional currency of the Group.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of financial year are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance expenses". All other foreign exchange gains and losses impacting the consolidated statement of comprehensive income are presented within "Other gains/(losses) – net".

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate as at financial year end,

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds.

2.21 Dividends

Dividends to the Group's shareholders are recognised when the dividends are approved for payment.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating-decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Company who makes strategic decisions.

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Investments in insurance contracts

The Group has two key management insurance contracts, which include both investment and insurance elements. The life insurance contracts are initially recognised at the amount of premium paid, and subsequently measured at each financial year end at its cash surrender value. Changes to the cash surrender value at each financial year end will be recognised in profit or loss as a gain/loss on investment. In the event of death of the insured person, the surrender of the policies, or the policies mature, the investment will be de-recognised and any resulting gains/losses will be recognised in profit or loss. Exchange differences arising from the investments will be recognised as part of "gain/loss on investments".

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Currency risk

Currency risk arises when transactions are denominated in a currency that is not the entity's functional currency. The Group's business is mainly exposed to the United States dollar ("USD"), Hong Kong dollar ("HKD") and Euro ("EUR"). The Group monitors exchange rate movements to ensure this risk is kept within an acceptable level. This exposure is not hedged by any financial instruments. As the future exchange rates are uncertain, the sensitivity analysis is prepared based on the assumption of actual changes during the year, with all other variables including tax rate being held constant.

The Group's currency exposure to USD is as follows:

	2024 S$'000	2023 S$'000
Financial assets		
Cash and bank deposits *(Note 21)*	**341**	58
Financial liabilities		
Borrowings *(Note 23)*	**(693)**	(933)
Trade and other payables *(Note 22)*	**(132)**	(163)
	(484)	(1,038)
Less:		
Borrowings designated for insurance contracts *(Note 23)*	**693**	933
Net exposure from financial instruments	**209**	(105)

The sensitivity analysis of the exposure to USD, after taking into consideration the USD borrowings designated for the investments in insurance contracts are as follows:

As at 31 March 2024, if USD had strengthened/weakened by 1% (2023: 2%) against Singapore dollar ("SGD") with all other variables including tax rate being held constant, the Group's results would have been S$2,000 lower/higher (2023: S$2,000 higher/lower), respectively, as a result of currency translation losses/gains (2023: losses/gains) on the USD-denominated financial assets/liabilities and insurance contracts.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Currency risk (Continued)

The Group's currency exposure to HKD is as follows:

	2024 S$'000	2023 S$'000
Financial assets		
Cash and bank deposits *(Note 21)*	**215**	413
Financial liabilities		
Trade and other payables *(Note 22)*	**(52)**	(86)
	163	327

As at 31 March 2024, if HKD had strengthened/weakened by 2% (2023: 2%) against SGD with all other variables including tax rate being held constant, the Group's results would have been S$3,000 (2023: S$5,000) higher/lower, respectively, as a result of currency translation gains/losses on the HKD-denominated financial assets/liabilities.

The Group's currency exposure to EUR is as follows:

	2024 S$'000	2023 S$'000
Financial assets		
Cash and bank deposits *(Note 21)*	**7**	181
Financial liabilities		
Trade and other payables *(Note 22)*	**–**	(16)
	7	165

As at 31 March 2024, if EUR had strengthened/weakened by 1% (2023: 4%) against SGD with all other variables including tax rate being held constant, the Group's results would have been S$70 (2023: S$5,000) higher/lower, respectively, as a result of currency translation gains/losses on the EUR-denominated financial assets/liabilities.

(ii) Interest rate risk

The Group's exposure to the risk of changes in interest rates arises mainly from the Group's borrowings. The Group has no significant interest-bearing assets, hence, the Group's income is substantially independent of changes in market interest rate. The Group does not use derivatives to hedge the interest rate risk on its borrowings.

Certain of the Group's borrowings are at variable rates. For the year ended 31 March 2024, if the interest rates increase/decrease by 2% per annum (2023: 2% per annum) with all other variables, including tax rate being held constant, the results would have been lower/higher by S$47,000 (2023: S$49,000) respectively, as a result of higher/lower interest expenses of these borrowings.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

Interest rate benchmark reform and associated risks

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group monitors and manages its potential transition to alternative rates, as applicable. The Group evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss about and assess the potential impact on the Group.

The Group applied the practical expedient under the Phase 2 amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which assist entities in applying the Standards when changes are made to contractual cash flows or hedging relationships because of the ongoing reform of inter-bank offered rates ("IBOR") and other interest rate benchmarks (the "reform"), to not consider whether the changes required by the Reform to contractual cash flows of financial instrument measured at amortised cost would result in the derecognition of the financial asset or financial liability. Instead, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate used. The exception applies only to the extent that the change is required by interest rate benchmark reform when both these conditions are met:

a) the change is necessary as a direct consequence of the reform; and

b) the new basis for determining the contractual cash flows as a result of the reform is economically equivalent to the previous basis.

As at 31 March 2024, the Group has amended the terms and conditions of all financial instruments that are indexed to SIBOR to new benchmark rate (i.e. SORA).

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and trade and other receivables.

(i) Risk management

Credit risk is managed on a group basis and is continuously monitored and reported to management and the Chief Executive Officer. Credit exposure to an individual customer is restricted by the credit limit approved by the Chief Executive Officer. Management considers the Group has limited credit risk with its banks which are leading and reputable and are assessed as having low credit risk. Majority of bank balances are deposited with reputable banks. The Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit evaluation procedures. Receivable balances are monitored on an ongoing basis.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to IFRS 9's expected credit loss model:

– Trade receivables

– Cash and cash equivalents

– Deposits and other receivables.

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

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

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables are presented as net impairment losses in the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

The expected credit loss rates are based on the aging profiles of trade receivables over a period of 24 months before the end of the financial year and the corresponding historical credit losses experienced within this period. The historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The provision for and write-off of trade receivables were taken into consideration of the expected credit loss rates.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables *(Continued)*

The loss allowance of trade receivables excluding credit impaired balances as at 31 March 2024 was determined as follows:

	Current	Past due: Between 0 to 30 days	Between 31 to 60 days	Between 61 to 90 days	Between 91 to 365 days	More than 365 days	Total
At 31 March 2024							
Expected loss rate	0.1%	0.1%	1.5%	2.1%	23.0%	90.3%	
Gross carrying amount (S$'000)	8,772	4,407	1,235	354	438	45	15,251
Loss allowance (S$'000)	(4)	(5)	(18)	(8)	(101)	(41)	(177)
	8,768	4,402	1,217	346	337	4	15,074

The loss allowance of trade receivables excluding credit impaired balances as at 31 March 2023 was determined as follows:

	Current	Past due: Between 0 to 30 days	Between 31 to 60 days	Between 61 to 90 days	Between 91 to 365 days	More than 365 days	Total
At 31 March 2023							
Expected loss rate	0.1%	0.1%	1.2%	1.8%	24.8%	100%	
Gross carrying amount (S$'000)	8,544	4,019	763	285	275	38	13,924
Loss allowance (S$'000)	(5)	(4)	(9)	(5)	(68)	(38)	(129)
	8,539	4,015	754	280	207	–	13,795

The closing loss allowances for trade receivables reconcile to the opening loss allowances as follows:

	2024 S$'000	2023 S$'000
At the beginning of the year	**129**	34
Increase in loss allowance recognised in profit or loss during the year	**113**	116
Utilisation of loss allowance	**(65)**	(21)
At the end of the year	**177**	129

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Cash and cash equivalents, deposits and other receivables

The Group and the Company held cash and cash equivalents with banks which are rated A+ and above based on Standard & Poor and are considered to have low credit risk. Impairment on cash and cash equivalents, deposits and other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured as lifetime expected credit loss. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the deposits and other receivables as at the reporting date with the risk of default as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the financial instrument which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 30 days past due.

The maximum exposure to credit risk as of the reporting date was the carrying value of each type of receivables mentioned above. The Group did not hold any collateral as security as of each reporting date. Notwithstanding the foregoing, the Group assumes that the credit risk on each type of receivables mentioned above has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Accordingly, the Group measured the loss allowance of each type of receivables mentioned above using 12-month ECL and determined that the ECL is insignificant.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities (Note 23). At the end of the year, assets held by the Group for managing liquidity risk included cash and cash equivalents as disclosed in Note 21.

The Group has contractual commitments to incur capital expenditure on its property, plant and equipment (Note 26).

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the date of the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

Specifically, for the bank borrowings which contain a repayment on demand clause which can be exercised at the banks' sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

	On demand S$'000	Less than 1 year S$'000	Between 1 to 2 years S$'000	Between 2 to 5 years S$'000	More than 5 years S$'000
At 31 March 2024					
Trade and other payables (excluding GST payables)	**–**	**(10,688)**	**–**	**–**	**–**
Bank borrowings	**(143)**	**(8,810)**	**(6,598)**	**(9,701)**	**(1,927)**
Lease liabilities	**–**	**(364)**	**(278)**	**(137)**	**–**
	(143)	**(19,862)**	**(6,876)**	**(9,838)**	**(1,927)**
At 31 March 2023					
Trade and other payables (excluding GST payables)	–	(14,305)	–	–	–
Bank borrowings	(190)	(13,613)	(5,945)	(6,242)	–
Lease liabilities	–	(553)	(374)	(302)	–
	(190)	(28,471)	(6,319)	(6,544)	–

The table below analyses the borrowings with a repayment on demand clause based on agreed repayment schedules set out in the loan agreements. The amounts include interest payments computed using contractual rates.

	Less than 1 year S$'000	Between 1 to 2 years S$'000	Between 2 to 5 years S$'000	More than 5 years S$'000
At 31 March 2024	**(48)**	**(48)**	**(47)**	**–**
At 31 March 2023	(53)	(53)	(84)	–

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(d) Capital risk management

The Group's objectives when managing capital are to ensure that the Group is appropriately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments where appropriate and necessary.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus lease liabilities less cash and cash equivalents. Total capital is calculated as total equity plus net debt. The gearing ratios are as follows:

	2024 S$'000	2023 S$'000
Net debt	**12,947**	17,811
Total equity	**65,882**	46,658
Total capital	**78,829**	64,469
Gearing ratio	**16%**	28%

The Group also monitors the debt covenants for borrowings and is in compliance with all externally imposed capital requirements for the year end.

(e) Financial instruments by category

The aggregate carrying amounts of financial assets, at amortised cost and financial liabilities, at amortised cost are as follows:

	2024 S$'000	2023 S$'000
Financial assets per consolidated statement of financial position		
Financial assets measured at amortised cost		
– Cash and bank balances	**12,121**	8,739
– Trade and other receivables (excluding prepayment and GST receivables)	**15,341**	14,827
	27,462	23,566
Financial liabilities per consolidated statement of financial position		
Financial liabilities measured at amortised cost		
– Trade and other payables (excluding GST payables)	**10,688**	14,305
– Bank borrowings	**24,326**	25,371
– Lease liabilities	**742**	1,179
	35,756	40,855

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(f) Fair value measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(a) Quoted process (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within Level 1 that are observables for the asset or liability, either directly (i.e. as prices) or indirectly (i.e derived from prices) (Level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 S$'000	**Level 2** S$'000	**Level 3** S$'000	**Total** S$'000
At 31 March 2024				
Assets				
Biological assets (*Note 14)*	**–**	**–**	**20,490**	**20,490**
Investments in insurance contracts *(Note 18)*	**–**	**–**	**2,396**	**2,396**
At 31 March 2023				
Assets				
Biological assets *(Note 14)*	–	–	11,584	11,584
Investments in insurance contracts *(Note 18)*	–	–	2,277	2,277

There were no transfer between levels during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below.

(a) Fair value of biological assets

The fair value of biological assets is determined with reference to the discounted cash flows of the underlying biological assets. The management's key estimates and assumptions used in the discounted cash flows of the underlying biological assets could impact the fair value of the assets and these include selling price of the mature hens, quails and fresh eggs, estimated egg laying period, post-tax discount rate and mortality rate. The carrying value of biological assets as at 31 March 2024 is S$20,490,000 (2023: S$11,584,000).

If the selling price of fresh eggs applied to the discounted cash flows increases or decreases by 5% from the management estimates, the fair value of the biological assets will be higher or lower by S$2,565,000 as at 31 March 2024 (2023: S$1,600,000).

If the egg laying period applied to the discounted cash flows decreases by 5 weeks from the management estimates, the fair value of the biological assets will be lower by S$4,935,000 as at 31 March 2024 (2023: S$924,000).

(b) Fair value of agricultural produce

The fair value of agricultural produce is determined with reference to market approach at the point of harvest. Agricultural produce refers to the eggs produced by the laying hens and laying quails. As at 31 March 2024, the fair value of the agricultural produce (unrealised) is S$774,000 (2023: S$180,000).

If the selling price of fresh eggs applied to the market approach increases or decreases by 5% from the management estimates, the fair value of agricultural produce (unrealised) will be higher or lower by S$75,000 as at 31 March 2024 (2023: S$19,000).

(c) Useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives, and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. Management will increase the depreciation and amortisation charges where useful lives are shorter than previously estimated lives. It will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or redeployed. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable and amortisable lives and therefore affect the depreciation and amortisation charges in future periods. The useful lives of the property, plant and equipment and intangible assets are disclosed in Note 2.6 and Note 2.7 respectively.

4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS AND JUDGEMENTS

(Continued)

(d) Business combination

The consolidated financial statements reflected all the acquisitions of businesses. The Group determine whether the acquired activities and assets constitute a business by assessing whether the acquired activities and assets includes, a minimum, an input and substantive process which together contribute to the creation of outputs. The Group accounts for the acquired businesses using the acquisition method which requires the use of accounting estimates and assumptions to allocate the purchase price to the fair values of the acquiree's identifiable assets and liabilities at the acquisition date, particularly the fair value of the intangible assets identified from the acquisition. Estimates and assumptions such as revenue growth rate, customer attrition rate, and discount rate used in the valuation methodology have an impact on its fair value. The initial accounting of the business combinations were based on the amounts disclosed in Note 29.

(e) Measurement of expected credit losses ("ECL") of trade receivables

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9. Except for trade receivables that are determined to be credit-impaired, the Group determines the lifetime expected credit losses based on the payment profiles of sales over a period of the previous 24 months from each year end and the corresponding historical credit losses experienced with this period. The historical loss rates are adjusted to reflect the probability-weighted outcome and reasonable and supportable information that is available at the year-end about past events, current conditions and forecasts of future economic conditions. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 March 2024 is S$177,000 (2023: S$129,000) (Note 3.1(b)). Details of assumptions are disclosed in more detail in Note 3.1(b).

(f) Impairment assessment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the CGU, the terminal growth rate and a suitable discount rate to calculate present value. The carrying amount of goodwill as at 31 March 2024 was S$1,339,000 (2023: S$963,000) and an impairment loss of S$171,000 was recognised during the financial year (2023: S$Nil) (Note 17). Details of the estimates used to calculate the recoverable amount are given in Note 17 to the consolidated financial statements.

(g) Provision for income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's deferred tax liabilities and current tax payable as at 31 March 2024 was S$1,815,000 and S$4,365,000 (2023: S$1,447,000 and S$1,460,000) respectively.

5. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker ("CODM") has been identified as the chief executive of the Company. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The CODM considers that the Group has three operating and reporting segments which are fresh eggs, processed eggs, fruits and vegetables. CODM assesses the performance of these segments based on revenue, segment results and the incomes/expenses arriving the segment results. Segment result represents the profit earned by each segment without allocation of finance costs, unallocated other income and unallocated corporate expenses are mainly including general administrative expense.

Information relating to segment assets and segment liabilities is not disclosed as such information is not regularly reported to the CODM.

Segment information about these reportable and operating segments is presented below:

Year ended 31 March 2024

	Fresh eggs S$'000	Processed eggs S$'000	Fruits and vegetables S$'000	Total S$'000
Segment revenue	**73,273**	**31,507**	**3,637**	**108,417**
Other income	**28**	**–**	**5**	**33**
Gain arising from initial recognition of agricultural produce at fair values less estimated costs to sell at point of harvest – unrealised	**774**	**–**	**–**	**774**
Gain arising from changes in fair value of biological asset less estimated costs to sell	**4,250**	**4,592**	**–**	**8,842**
Purchases of inventories	**(47,995)**	**(13,417)**	**(2,704)**	**(64,116)**
Changes in inventories	**(485)**	**(267)**	**(38)**	**(790)**
Impairment of goodwill	**(97)**	**–**	**(74)**	**(171)**
Impairment loss for trade receivables, net	**(48)**	**(16)**	**(49)**	**(113)**
Depreciation of property, plant and equipment	**(2,688)**	**(1,121)**	**(33)**	**(3,842)**
Employee benefits	**(5,390)**	**(3,693)**	**(537)**	**(9,620)**
Utilities	**(1,060)**	**(1,453)**	**(18)**	**(2,531)**
Repairs and maintenance expenses	**(1,305)**	**(859)**	**(73)**	**(2,237)**
Royalty expense	**–**	**(89)**	**–**	**(89)**
Chicken/Quail shed – medication and vaccination	**(376)**	**(371)**	**–**	**(747)**
Other expenses	**(1,983)**	**(1,415)**	**(177)**	**(3,575)**
Segment results	**16,898**	**13,398**	**(61)**	**30,235**
Unallocated finance cost				**(1,238)**
Unallocated other income				**564**
Unallocated corporate expenses				**(6,344)**
Profit before tax				**23,217**

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Year ended 31 March 2023

	Fresh eggs S$'000	Processed eggs S$'000	Fruits and vegetables S$'000	Total S$'000
Segment revenue	64,753	27,438	3,575	95,766
Other income	28	–	11	39
Gain arising from initial recognition of agricultural produce at fair values less estimated costs to sell at point of harvest – unrealised	180	–	–	180
Gain arising from changes in fair value of biological asset less estimated costs to sell	1,330	2,263	–	3,593
Purchases of inventories	(49,696)	(14,219)	(2,471)	(66,386)
Changes in inventories	449	55	132	636
Impairment loss for trade receivables, net	(84)	(32)	–	(116)
Depreciation of property, plant and equipment	(2,187)	(1,018)	(63)	(3,268)
Employee benefits	(4,323)	(3,204)	(368)	(7,895)
Utilities	(648)	(880)	(41)	(1,569)
Repairs and maintenance expenses	(1,103)	(745)	(73)	(1,921)
Royalty expense	–	(48)	–	(48)
Chicken/Quail shed – medication and vaccination	(189)	(308)	–	(497)
Other expenses	(913)	(1,603)	(109)	(2,625)
Segment results	7,597	7,699	593	15,889
Unallocated finance cost				(607)
Unallocated other income				1,008
Unallocated corporate expenses				(5,917)
Profit before tax				10,373

Geographical information

The Group's operations are principally in Singapore and hence no further disclosure is made on the geographical information.

Information about major customers

The Group is generally not significantly reliant on any customer for its sales and no single customer accounted for 10% or more of the Group's total revenue in FY2024 and FY2023.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

	2024 S$'000	2023 S$'000
Fresh eggs	**73,273**	64,753
Processed eggs	**31,507**	27,438
Fruits and vegetables	**3,637**	3,575
	108,417	95,766

6. OTHER INCOME

	2024 S$'000	2023 S$'000
Income from sale of animal feeds	**29**	28
Government grant *(Note a)*	**199**	713
Interest income:	**3**	49
– Bank deposits	**3**	18
– Non-trade loan interest	**–**	31
Others	**275**	257
	506	1,047

Note a:

The Group has been awarded certain government grants for which the grant income was recognised in other income mainly relate to the Jobs Growth Incentive ("JGI"), and Wage Credit Scheme ("WCS").

The grant income relating to JGI amounted to S$8,000 (2023: S$203,000), the JGI Scheme provides substantial salary support to enable employers to bring forward their hiring plans and grow their local workforce over the eligible period.

The grant income relating to WCS amounted to S$125,000 (2023: S$230,000), the WCS is a government grant that co-funded wage increases given to the employees.

7. OTHER LOSSES – NET

	2024 S$'000	2023 S$'000
Loss on disposal of property, plant and equipment *(Note 15)*	**(31)**	(3)
Gain from derecognition of right-of-use assets *(Note 16)*	**2**	–
Net currency exchange gains/(losses)	**35**	(95)
Gain on investments in insurance contracts *(Note 18)*	**86**	56
Impairment of goodwill *(Note 17)*	**(171)**	–
	(79)	(42)

8. EXPENSES BY NATURE

	2024 S$'000	2023 S$'000
Auditor's remuneration		
– Audit services	**236**	201
– Non-audit services	**–**	–
Purchases of inventories	**64,116**	66,386
Changes in inventories	**790**	(636)
Depreciation of property, plant and equipment *(Note 15)*	**4,126**	3,517
Amortisation of intangible assets *(Note 17)*	**434**	381
Agricultural produce recorded in cost of sales *(Note a)*	**26,458**	16,844
Employee compensation *(Note 9)*	**13,431**	11,495
Utilities	**2,531**	1,569
Repairs and maintenance expenses	**2,447**	1,923
Chicken/Quail shed – medication and vaccination	**747**	497
Royalty expenses	**89**	48
Commission expenses	**266**	247
Insurance expenses	**365**	103
Other expenses	**4,135**	3,573
Total cost of sales, selling and distribution expenses and administrative expenses	**120,171**	106,148

Note a:

	2024 S$'000	2023 S$'000
Cost of agricultural produce sold	**26,278**	16,700
Unrealised gain arising from initial recognition of agriculture produce at fair value less costs to sell at point of harvest on inventory as at prior year and realised in current year	**180**	144
	26,458	16,844

9. EMPLOYEE COMPENSATION

	2024 S$'000	2023 S$'000
Basic salaries, wages and allowances	**10,903**	9,291
Employer's contribution to defined contribution plans	**827**	829
Other benefits	**1,701**	1,375
	13,431	11,495

As stipulated by rules and regulations in Singapore, the group companies operating in Singapore contribute to the Singapore Central Provident Fund, a statutory pension scheme. Under the scheme, the employees contribute 5% to 20% of their wages, while the group companies contribute 7.5% to 17% of the wages of their employees. The employers' and employees' contributions are subject to a cap of employees' monthly ordinary wages of S$6,800 (2023: S$6,000). At 31 March 2024 and 2023, no forfeited contributions are available to reduce the contribution payable in future years.

(a) Directors' emoluments

The emoluments of individual directors for the year ended 31 March 2024 are set out below:

	Fees S$'000	Salaries S$'000	Bonus S$'000	Employer's contribution to defined contribution plans S$'000	Total S$'000
Executive directors					
– Mr. Ma Chin Chew	–	900	160	106	1,166
– Ms. Lim Siok Eng	–	126	21	25	172
– Mr. Tang Hong Lai	–	120	20	13	153
Independent non-executive directors					
– Mr. Yuen Ka Lok	29	–	–	–	29
– Mr. Donald William Sneddon	29	–	–	–	29
– Mr. Lew Chern Yong	29	–	–	–	29
	87	1,146	201	144	1,578

9. EMPLOYEE COMPENSATION *(Continued)*

(a) Directors' emoluments *(Continued)*

The emoluments of individual directors for the year ended 31 March 2023 are set out below:

	Fees S$'000	Salaries S$'000	Bonus S$'000	Employer's contribution to defined contribution plans S$'000	Total S$'000
Executive directors					
– Mr. Ma Chin Chew	–	720	180	123	1,023
– Ms. Lim Siok Eng	–	126	21	25	172
– Mr. Tang Hong Lai	–	115	15	11	141
Independent non-executive directors					
– Mr. Yuen Ka Lok	25	–	–	–	25
– Mr. Donald William Sneddon	25	–	–	–	25
– Mr. Tan Jia Kien *(resigned on 3 January 2023)*	20	–	–	–	20
– Mr. Lew Chern Yong *(appointed on 3 January 2023)*	5	–	–	–	5
	75	961	216	159	1,411

During the years ended 31 March 2024 and 2023, there were no arrangements under which a director waived or agreed to waive any remuneration, and no emoluments were paid by the Group to the director as an inducement to join or upon joining the Group, or as compensation for loss of office.

(b) Director's retirement benefits and termination benefits

None of the directors of the Company received or will receive any retirement benefits or termination benefits in respect of their services to the Group for the years ended 31 March 2024 and 2023.

(c) Consideration provided to third parties for making available director's services

During the years ended 31 March 2024 and 2023, the Group had not paid any consideration to any third parties for making available director's services to the Group.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no loans, quasi-loans and other dealings entered into by the Group in favour of the directors of the Company, or body corporate controlled by or entities connected with any of the directors of the Company at the end of the years or at any time during the years ended 31 March 2024 and 2023.

(e) Director's material interest in transactions, arrangement or contracts

No transactions, arrangements and contracts in relation to the Group's business to which the Company, the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

9. EMPLOYEE COMPENSATION *(Continued)*

(f) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include the three Directors for the year ended 31 March 2024 (2023: three Directors). The emoluments payable to the remaining two individuals (2023: two individuals) for the years ended 31 March 2024 and 2023 are as follows:

	2024 **S$'000**	2023 S$'000
Basic salaries, wages and allowances	**281**	337
Employer's contribution to defined contribution plans	**36**	34
	317	371

The emoluments fell within the following band:

	Number of individuals **Year ended 31 March** **2024**	2023
Emolument band		
HK$Nil to HK$1,000,000	**1**	–
HK$1,000,001 to HK$1,500,000	**1**	2
	2	2

10. FINANCE COSTS

	2024 **S$'000**	2023 S$'000
Interest expense		
– Bank borrowings	**1,212**	592
– Lease liabilities	**29**	29
– Others	**–**	6
	1,241	627
Less: Amount capitalised in property, plant and equipment *(Note 15)*	**(3)**	(20)
Amount recognised in profit or loss	**1,238**	607

11. INCOME TAX EXPENSE

The Company is incorporated in the Cayman Islands as an exempted company with limited liabilities under the Companies Act (As Revised) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Singapore corporate income tax has been provided at the rate of 17% (2023: 17%) for the year ended 31 March 2024 on the estimated assessable profits during the year.

Hong Kong profits tax is calculated at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year, except for the first HK$2,000,000 of a qualified entity's assessable profit which is calculated at 8.25%, in accordance with the two-tiered tax rate regime with effect from the year of assessment 2018/2019.

The amount of income tax expenses charged to the consolidated statement of comprehensive income represent:

	2024 S$'000	2023 S$'000
Current tax on profit for the year	**3,619**	1,539
Deferred income tax expense	**296**	241
Under/(Over) provision in respect of prior years	**78**	(82)
	3,993	1,698

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2024 S$'000	2023 S$'000
Profit before income tax	**23,217**	10,373
Tax calculated at a tax rate of 17% (2023: 17%)	**3,947**	1,763
Tax effects of:		
– Expenses not deductible for tax purposes	**74**	122
– Income not subject to tax	**(20)**	(12)
– Statutory stepped income exemption	**(96)**	(89)
– Deferred tax assets not recognised	**14**	–
– Utilisation of previously unrecognised deferred tax assets	**–**	(73)
– Others	**(4)**	69
– Under/(Over) provision in respect of prior years	**78**	(82)
	3,993	1,698

11. INCOME TAX EXPENSE *(Continued)*

Deferred income taxes

	2024 **S$'000**	2023 S$'000
Deferred income tax liabilities		
– To be settled after one year	**1,815**	1,447

The movements in the deferred income tax account are as follows:

	2024 **S$'000**	2023 S$'000
Beginning of financial year	**1,447**	1,130
Acquisition of businesses *(Note 29)*	**72**	76
Charged to profit or loss	**296**	241
End of financial year	**1,815**	1,447

The movements in the deferred income tax liabilities are as follows:

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	**Provisions** S$'000	**Total** S$'000
2024			
Beginning of financial year	**1,465**	**(18)**	**1,447**
Acquisition of businesses	**72**	**–**	**72**
Charged to profit or loss	**312**	**(16)**	**296**
End of financial year	**1,849**	**(34)**	**1,815**
2023			
Beginning of financial year	1,143	(13)	1,130
Acquisition of businesses	76	–	76
Charged to profit or loss	246	(5)	241
End of financial year	1,465	(18)	1,447

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately S$80,000 (2023: S$Nil) which can be carried forward and used to offset future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

12. EARNINGS PER SHARE

	2024	2023
Profit attributable to equity holders of the Company (S$'000)	**19,315**	8,640
Weighted average number of ordinary shares in issue (thousands)	**500,000**	500,000
Basic and diluted earnings per share (S$ – in cents)	**3.86**	1.73

The diluted earnings per share is the same as the basic earnings per share as the Group does not have dilutive potential ordinary shares in issue during the years ended 31 March 2024 and 2023.

13. DIVIDENDS

No dividends were declared during the years ended 31 March 2024 and 2023.

14. BIOLOGICAL ASSETS

	2024 S$'000	2023 S$'000
Current	**8,233**	3,755
Non-current	**12,257**	7,829
	20,490	11,584
Biological assets comprise:		
– Laying hens	**20,084**	11,584
– Breeders quail	**17**	–
– Broilers quail	**23**	–
– Laying quail	**366**	–
	20,490	11,584

14. BIOLOGICAL ASSETS *(Continued)*

	Chicken S$'000	Quail S$'000	Total S$'000
At 1 April 2022	7,910	–	7,910
Purchases of immature hens	661	–	661
Gain arising from changes in fair value less estimated costs to sell	3,593	–	3,593
Sales of mature hens	(580)	–	(580)
At 31 March 2023	**11,584**	**–**	**11,584**
Purchases of immature hens or quails	**941**	**11**	**952**
Purchases of quail hatching eggs	**–**	**9**	**9**
Gain arising from changes in fair value less estimated costs to sell	**8,349**	**493**	**8,842**
Sales of mature hens or quails	**(790)**	**(107)**	**(897)**
At 31 March 2024	**20,084**	**406**	**20,490**

	2024	2023
Number of hens or quail held by the Group as at financial year-end		
– Laying hens	**1,035,591**	769,516
– Breeder quails	**4,031**	–
– Broiler quails	**13,450**	–
– Laying quails	**158,417**	–
	1,211,489	769,516
Number of laying hens held by the Group as at financial year end		
– Mature	**867,349**	517,835
– Immature	**168,242**	251,681
	1,035,591	769,516
Number of laying quails held by the Group as at financial year end		
– Mature	**156,760**	–
– Immature	**1,657**	–
	158,417	–
Number of eggs harvested during the financial year		
– Laying hens	**217,589,117**	167,609,777
– Laying quails	**25,904,478**	–
	243,493,595	167,609,777
Gain arising from initial recognition of agricultural produce at fair value less estimated costs to sell at point of harvest (S$)		
– Laying hens	**26,211,000**	16,880,000
– Laying quails	**842,000**	–
	27,053,000	16,880,000

14. BIOLOGICAL ASSETS *(Continued)*

The Group's biological assets as at 31 March 2024 and 2023 were valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the biological assets being valued. The valuer adopted the income approach – multi-period excess earnings method ("MPEEM") for the valuation. These biological assets have been classified as level 3 in the fair value hierarchy. The key assumptions and estimates used in the valuation are as follows:

	2024	2023
Chicken		
Selling price of agriculture produce (fresh eggs)	**S$0.25**	S$0.24
Mortality rate	**14.3%**	16.1%
Discount rate	**13.0%**	11.9%
Estimated lifespan over the egg production cycle	**89 weeks**	89 weeks
Selling price of mature hens	**S$2.87**	S$3.13
Quail		
Selling price of agriculture produce (fresh eggs)	**S$0.12**	–
Mortality rate	**20.0%**	–
Discount rate	**11.6%**	–
Estimated lifespan over the egg production cycle	**10 months**	–
Selling price of mature quail (standard and jumbo)	**S$0.89/S$4.51**	–

The Group's Head of Finance – Reporting reviewed the valuations performed by the independent valuer for financial reporting purposes. The Head of Finance – Reporting reports directly to the directors. Discussions of valuation processes and results were held between the directors, the Head of Finance – Reporting and the valuer.

The Head of Finance – Reporting:

- verified all major inputs to the independent valuation reports;
- assessed valuation movements when compared to the prior year valuation reports; and
- held discussions with the independent valuer on the valuation basis, processes and results.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings and improvements S$'000	Leasehold land S$'000	Plant and machinery S$'000	Equipment and furniture S$'000	Motor vehicles S$'000	Assets under construction S$'000	Total S$'000
Cost							
At 31 March 2022	21,583	3,436	21,325	818	4,133	11,988	63,283
Additions	1,131	–	617	143	470	16,198	18,559
Acquisition of business *(Note 29)*	–	–	–	–	198	–	198
Disposals	(31)	–	(7)	(39)	(17)	–	(94)
Transfer	14,120	–	1,612	92	–	(15,824)	–
At 31 March 2023	**36,803**	**3,436**	**23,547**	**1,014**	**4,784**	**12,362**	**81,946**
Additions	**1,948**	**-**	**4,527**	**431**	**601**	**6,978**	**14,485**
Disposals	**(242)**	**-**	**-**	**(22)**	**-**	**-**	**(264)**
Transfer	**11,046**	**-**	**3,818**	**105**	**-**	**(14,969)**	**-**
Grant recognised relating to purchase of property, plant and equipment*	**(5,597)**	**-**	**(813)**	**(32)**	**-**	**-**	**(6,442)**
At 31 March 2024	**43,958**	**3,436**	**31,079**	**1,496**	**5,385**	**4,371**	**89,725**
Accumulated depreciation							
At 31 March 2022	12,578	649	15,986	456	2,528	–	32,197
Depreciation *(Note 8)*	1,140	171	1,607	126	473	–	3,517
Disposals	(31)	–	(2)	(38)	(15)	–	(86)
At 31 March 2023	**13,687**	**820**	**17,591**	**544**	**2,986**	**-**	**35,628**
Depreciation *(Note 8)*	**1,932**	**172**	**1,433**	**170**	**419**	**-**	**4,126**
Disposals	**(112)**	**-**	**-**	**(13)**	**-**	**-**	**(125)**
Transfer	**(1)**	**-**	**-**	**1**	**-**	**-**	**-**
At 31 March 2024	**15,506**	**992**	**19,024**	**702**	**3,405**	**-**	**39,629**
Net book value							
At 31 March 2024	**28,452**	**2,444**	**12,055**	**794**	**1,980**	**4,371**	**50,096**
At 31 March 2023	23,116	2,616	5,956	470	1,798	12,362	46,318

* This pertains to grants receivable from governmental agencies for purchases of property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to the grants.

The Group's leasehold building and improvements, plant and machinery and assets under construction with a carrying amount of approximately S$14,121,000 (2023: S$Nil) were pledged to secure bank borrowings (Note 23).

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2024 S$'000	2023 S$'000
Net book amount of property, plant and equipment disposed	**139**	8
Derecognition of right-of-use assets	**(100)**	–
Loss on disposal of property, plant and equipment *(Note 7)*	**(31)**	(3)
Proceeds from disposal of property, plant and equipment	**8**	5

In the consolidated statement of cash flows, additions to property, plant and equipment comprise:

	2024 S$'000	2023 S$'000
Aggregate costs of purchase of property, plant and equipment	**14,485**	18,559
Finance cost capitalised in property, plant and equipment *(Note 10)*	**(3)**	(20)
Property, plant and equipment financed by finance lease liabilities	**–**	(799)
Prepayment made in prior year	**(1,047)**	(2,929)
Cash payments during the financial years	**13,435**	14,811

16. LEASES

The Group as a lessee

(i) Right-of-use assets classified within property, plant and equipment

	2024 S$'000	2023 S$'000
Right-of-use assets		
Leasehold land	**2,444**	2,616
Leasehold premises	**573**	1,058
Machinery and motor vehicles	**687**	689
	3,704	4,363
Lease liabilities		
Current	**343**	523
Non-current	**399**	656
	742	1,179

Additions to the right-of use assets arising during the year ended 31 March 2024 were S$Nil (2023: S$801,000).

Lease liabilities of the Group amounting to approximately S$369,000 (2023: S$405,000) are effectively secured by the leased machinery and motor vehicles.

16. LEASES *(Continued)*

The Group as a lessee *(Continued)*

(ii) Amounts recognised in the consolidated statement of comprehensive income

	2024 S$'000	2023 S$'000
Depreciation charge of right-of-use assets		
Leasehold land	**172**	171
Leasehold premises	**385**	416
Machinery and motor vehicles	**90**	86
	647	673
Interest expense (included in finance cost)	**29**	29
Gain from derecognition of right-of-use assets *(Note 7)*	**(2)**	–

The total cash outflow for leases in the year ended 31 March 2024 was S$511,000 (2023: S$736,000).

(iii) The Group's leasing activities and how these are accounted for

Leasehold land

The Group has made an upfront payment for land use rights of the chicken egg farm and a quail egg farm. The land lease payments are amortised on a straight-line basis over lease term of 20 years.

There are no externally imposed covenants on these lease arrangements.

Leasehold premises

The Group leases premises for the purpose of inventory storage, back office operations and employees' accommodation.

The Group has made an upfront payment for one of the leasehold premises to secure the right-of-use of a 30-year leasehold premise, which is used by the Group for inventory storage and back office operations. The Group also makes annual lease payments for this premise.

Lease terms are negotiated on an individual basis and contain a varying terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

(iv) Variable lease payments

Two of the leasehold storage premises contain variable payment terms that vary on a yearly basis to reflect changes in market rental rates.

17. INTANGIBLE ASSETS

	Goodwill (Note a) S$'000	Customer relationships (Note b) S$'000	Computer Software (Note c) S$'000	Trade Secrets (Note d) S$'000	Total S$'000
Cost					
At 31 March 2022	422	1,015	412	–	1,849
Acquisition of business *(Note 29)*	541	339	–	96	976
At 31 March 2023	963	1,354	412	96	2,825
Acquisition of business *(Note 29)*	547	425	–	–	972
At 31 March 2024	**1,510**	**1,779**	**412**	**96**	**3,797**
Accumulated amortisation and impairment losses					
At 31 March 2022	–	463	187	–	650
Amortisation *(Note 8)*	–	276	86	19	381
At 31 March 2023	–	739	273	19	1,031
Amortisation *(Note 8)*	–	323	92	19	434
Impairment loss *(Note 7)*	171	–	–	–	171
At 31 March 2024	**171**	**1,062**	**365**	**38**	**1,636**
Net book value					
At 31 March 2024	**1,339**	**717**	**47**	**58**	**2,161**
At 31 March 2023	963	615	139	77	1,794

Note a:

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities acquired.

Note b:

The customer relationships are acquired as part of business combinations. They are recognised at their fair value at the date of acquisition and are subsequently amortised on straight-line based on the timing of projected cash flows of the customer relationship over their estimated useful lives. The useful lives of the customer relationships are estimated to be 2 to 5 years by the management.

Amortisation expenses of customer relationship have been charged to administrative expenses in the consolidated statement of comprehensive income.

Note c:

Amortisation expenses of computer software have been charged to administrative expenses in the consolidated statement of comprehensive income.

Note d:

The trade secrets are acquired as part of business combination pertains to knowledge on business operations. They are recognised at their fair value at the date of acquisition and are subsequently amortised on straight-line based on the timing of projected cash flows of the trade secrets over their estimated useful lives. The useful lives of the trade secrets are estimated to be 6 years by the management.

17. INTANGIBLE ASSETS *(Continued)*

Impairment tests for goodwill

The recoverable amounts of the CGUs are determined based on value-in-use calculations. Goodwill is monitored by management at the level of operating segments which are fresh eggs segment and other segment. Impairment test of goodwill is performed annually at period end 31 March by management.

The details for goodwill after impairment are as follows:

	2024 $'000	2023 $'000
Chuan Seng Huat Eggs Pte. Ltd. ("CSH")	**–**	97
Yanhong Trading Enterprise ("YH")	**325**	325
Hua Fu Xuan Eggs ("HFX")	**392**	392
Hometown Fruits and Vegetables Pte. Ltd. ("HFV")	**75**	149
Oh Chuan Aun Eggs Trading ("OCA")	**547**	–
	1,339	963

The Group tests CGUs for impairment annually, or more frequently when there is an indication of impairment. The recoverable amounts of the CGUs have been determined based on the cash flow forecasts of the respective CGUs from actual performance of the latest financial year and financial budgets approved by management that use a number of significant operational and predictive assumptions, covering a five-year period and projection to terminal year.

The key assumptions for the value-in-use calculations are those regarding the revenue, gross margin, terminal growth rates, and pre-tax discount rates as follows:

	Revenue growth rate		**Gross margin growth rate**		**Terminal growth rate**		**Pre-tax discount rate**	
	2024 to 2028 %	2023 to 2027 %	**2024 to 2028 %**	2023 to 2027 %	**2024 %**	2023 %	**2024 %**	2023 %
CSH	**3% – 6%**	7%	**14%**	16%	**2%**	1.92%	**11.74%**	13.53%
YH	**7%**	7%	**9%**	8%	**2%**	1.92%	**9.60%**	14.16%
HFX	**3%**	5%	**15%**	17%	**2%**	1.92%	**11.74%**	14.16%
HFV	**2%**	7%	**20%**	13%	**2%**	1.92%	**10.79%**	11.46%
OCA	**3%**	–	**15%**	–	**2%**	–	**11.56%**	–

The management assumptions used in revenue growth rate, estimated gross margin and terminal growth rate are based on historical records and synergy arose from the business combination. The management assumption used in discount rates is based on the industry data and the CGU's debt and equity structure.

As at 31 March 2024, an impairment charge of S$171,000 (2023: S$Nil) is included within "Other losses – Net" in the consolidated statement of comprehensive income. The impairment charge in current financial year arose from the CSH and HFV CGUs due to the lower revenue growth as a result of declining customer demand.

17. INTANGIBLE ASSETS *(Continued)*

Key assumptions used in the value-in-use calculations

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

Revenue growth rates – The forecasted revenue growth rates are based on management's expectations for each CGU from historical trends, planned business strategies, and long-term average growth rates of the food industry in the respective countries.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculations are based on the specific circumstances of each CGU and its CGUs and derived from its weighted average cost of capital ("WACC").

Terminal growth rates – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

Sensitivity analysis

Management determined the budgeted revenue based on their expectations of market developments with the growth rates being estimated based on management's expectations. The terminal growth rate is based on the expected inflation rate. The discount rate reflects specific risks relating to the relevant operating segment.

Management believes that the change in the estimated recoverable amount from any reasonably possible change on the key assumptions does not materially cause the recoverable amount to be lower than its carrying amount.

18. INVESTMENTS IN INSURANCE CONTRACTS

	2024 S$'000	2023 S$'000
Beginning of the year	**2,277**	2,265
Gain on investments in insurance contracts *(Note 7)*	**86**	56
Currency translation differences	**33**	(44)
	2,396	2,277

Investments in insurance contracts pertain to two life insurance policies (the "Policies") with Mr. Ma, the director and Chief Executive Officer of the Company as the "Insured Person". The Policies will mature on the dates when the Insured Person reaches the ages of 74 and 77, respectively, or upon the death of the Insured Person, whichever is the earlier. In the event of death of the Insured Person, the investments will be de-recognised and any resulting gains or losses will be recognised in profit or loss.

The fair value of the insurance contracts purchased is determined based on the cash surrender value in accordance with the insurance contracts which are not an observable input. Management estimates the fair value based on the latest policy quarterly statement of the insurance contracts provided by the insurance companies.

The change in fair value of investments in insurance contracts during the year is recorded in "other losses-net" in the consolidated statement of comprehensive income (Note 7).

The investments were pledged as collateral for the Group's bank borrowings as at 31 March 2024 and 2023 (Note 23).

19. INVENTORIES

	2024 S$'000	2023 S$'000
Feeds	**867**	1,179
Eggs and processed eggs	**2,324**	1,970
Packaging materials	**480**	500
Fruits and vegetables	**94**	132
	3,765	3,781

The cost of inventories for the years ended 31 March 2024 and 2023 have been included in the consolidated statement of comprehensive income as "Purchases of inventories" and "Changes in inventories".

20. TRADE AND OTHER RECEIVABLES

	2024 S$'000	2023 S$'000
Trade receivables	**15,251**	13,924
Less:		
Allowance for impairment of receivables	**(177)**	(129)
	15,074	13,795
Other receivables	**76**	536
Deposits	**219**	194
Prepayments	**2,101**	2,001
Current	**17,470**	16,526
Non-current		
Other receivables	**–**	418

The credit period of trade receivables ranged up to 60 days. No interest was charged on the outstanding balances. The ageing analysis of trade receivables based on invoice date is as follows:

	2024 S$'000	2023 S$'000
Less than 30 days	**8,570**	8,184
31 to 60 days	**4,624**	4,179
61 to 90 days	**1,221**	982
More than 90 days	**836**	579
	15,251	13,924

Note 3.1(b) provides details about the financial risk management in relation to credit risk and the provision matrix.

20. TRADE AND OTHER RECEIVABLES *(Continued)*

Included within the trade receivables is an amount of S$2,072,000 (2023: S$1,361,000) that is aged more than 30 days, for which the Group has instalment and settlement arrangement with them.

Included in other receivables is the loan to a third party amounting to S$700,000 for the year ended 31 March 2023 is for working capital purpose. The loan is unsecured, non-trade in nature and bears an interest rate of 4.5% per annum. The first S$300,000 plus annual interest from commencement date is repayable on 3 June 2023, and the remaining S$400,000 plus interest is repayable on 3 June 2024. The remaining S$400,000 is fully settled on 31 December 2023.

Included in prepayments are payments made for the construction of farm houses and to third party vendors for the purchases of machineries amounting to S$916,000 (2023: S$1,047,000).

The Group's trade and other receivables (excluding prepayments and goods and services tax) are denominated in the SGD.

21. CASH AND CASH EQUIVALENTS

	2024 S$'000	2023 S$'000
Cash at bank	**12,087**	8,705
Cash on hand	**34**	34
Cash at bank and on hand	**12,121**	8,739

Cash and cash equivalents are denominated in the following currencies:

	2024 S$'000	2023 S$'000
SGD	**11,550**	8,079
HKD	**215**	413
USD	**341**	58
EUR	**7**	181
Australian dollar ("AUD")	**8**	8
	12,121	8,739

22. TRADE AND OTHER PAYABLES

	2024 S$'000	2023 S$'000
Trade payables	**5,814**	6,001
Other payables	**1,771**	167
Other accruals	**3,780**	8,002
Accrued royalty expense	**–**	239
Amounts due to non-controlling interests	**4**	4
	11,369	14,413

The credit terms granted by the Group's suppliers were usually ranged up to 60 days. The ageing analysis of trade payables based on invoice date is as follows:

Other payables mainly consist of goods and service tax payables and consideration payable for the acquisition of Oh Chuan Aun Eggs Trading.

	2024 S$'000	2023 S$'000
Less than 30 days	**3,734**	4,396
31 to 60 days	**1,852**	1,017
More than 60 days	**228**	588
	5,814	6,001

The Group's trade and other payables (excluding goods and services tax) are denominated in the following currencies:

	2024 S$'000	2023 S$'000
SGD	**10,475**	14,040
USD	**132**	163
HKD	**52**	86
EUR	**–**	16
Malaysian Ringgit ("MYR")	**29**	–
	10,688	14,305

Other accruals mainly consist of accrual for construction cost and other operating expenses.

Amounts due to non-controlling interests are non-trade in nature, unsecured, interest-free, and repayable on demand.

23. BANK BORROWINGS

	2024 S$'000	2023 S$'000
Long-term bank loans	**24,326**	25,371
Less: amounts due on demand or within one year shown under current liabilities	**(8,230)**	(13,463)
Non-current portion	**16,096**	11,908

The Group's borrowings were repayable as follows:

	2024 S$'000	2023 S$'000
Within 1 year	**8,230**	13,463
Between 1 and 2 years	**5,992**	5,754
Between 2 and 5 years	**8,239**	6,154
More than 5 years	**1,865**	–
	24,326	25,371

The above amounts due are based on the scheduled repayment dates set out in the loan agreements and taken into account the effect of demand clause.

The exposure of the bank borrowings of the Group to the contractual repricing at the end of each year is as follows:

	2024 S$'000	2023 S$'000
6 months or less	**2,843**	9,925

As at 31 March 2024 and 2023, the total bank borrowings are secured as follows:

(i) S$24,326,000 of the borrowings are guaranteed by the Company (2023: S$25,219,000);

(ii) there is no borrowing guaranteed by N&N Agriculture Pte Ltd (2023: S$152,000);

(iii) S$693,000 (2023: S$933,000) secured by the assignment of investments in insurance contracts (Note 18); and

(iv) S$10,770,000 (2023: S$Nil) of the borrowings are secured by the second phase of layers houses, machineries and processing plant under construction (Note 15).

Certain of the Group's borrowings are at variable rates. The fair values of bank borrowings approximate their carrying values. As at 31 March 2024, the range of effective interest rates (which also equals to contracted interest rates) on the variable-rate bank borrowings is 2.00% to 7.09% (2023: 1.90% to 7.75%) per annum.

The Group's borrowings are denominated in the following currencies:

	2024 S$'000	2023 S$'000
SGD	**23,633**	24,438
USD	**693**	933
	24,326	25,371

23. BANK BORROWINGS *(Continued)*

Undrawn borrowing facilities:

	2024 **S$'000**	2023 S$'000
Bank borrowings	**29,640**	28,323

These undrawn facilities include loan facilities, trade facilities and hire purchase facilities.

24. SHARE CAPITAL

The share capital as at 31 March 2024 represented the issued share capital of the Company.

	Number of shares	**Amount** HK$'000	**Amount** S$'000
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 April 2022, 31 March 2023 and 31 March 2024	**10,000,000,000**	**100,000**	**–**
Issued and fully paid:			
At 1 April 2022, 31 March 2023 and 31 March 2024	**500,000,000**	**5,000**	**890**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

25. RESERVES

Details of the movements on the Group's reserves are as set out in the consolidated statement of changes in equity.

(a) Share premium

Share premium account of the Group represents the excess of the proceeds received over the nominal value of the Company's shares issued.

(b) Other reserve

Other reserve represents the difference between consideration paid and the acquired share capital of entities under common control.

26. COMMITMENTS

Capital commitments

As at the financial year-end, capital expenditure to expand the Group's farming operations contracted but not provided for in the consolidated financial statements are as follows:

	2024 **S$'000**	2023 S$'000
Property, plant and equipment	**2,760**	10,550

27. RELATED PARTY TRANSACTIONS

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following related party transactions:

Key management compensation

The emoluments of the directors (representing the key management personnel) during the year end are disclosed in Note 9.

28. SUBSIDIARIES

The Group's principal subsidiaries as at 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation	Principal activities and place of operation	Particulars of issued share capital and paid-up capital	Equity interest held by the company 2024 %	2023 %
Held directly by the Company:					
Alliance Glory Ventures Limited	British Virgin Islands	Investment holding, British Virgin Islands	US$1	**100**	100
Held through Alliance Glory Ventures Limited:					
N & N Agriculture Pte. Ltd.	Singapore	Production and distribution of egg products, Singapore	S$10,000,000	**100**	100
The Pasteurized Egg Company Pte. Ltd.	Singapore	Provision of administrative services and distribution of fruits and vegetables, Singapore	S$2	**100**	100

28. SUBSIDIARIES *(Continued)*

Name of entity	Place of incorporation	Principal activities and place of operation	Particulars of issued share capital and paid-up capital	Equity interest held by the company 2024 %	2023 %
Held through N & N Agriculture Pte. Ltd.:					
Golden Hoyo Pte. Ltd.	Singapore	Property holding, Singapore	S$500,000	**100**	100
Chuan Seng Huat Eggs Pte. Ltd.	Singapore	Import and export, wholesales and distribution of eggs, Singapore	S$2	**100**	100
Quailico Eggs Pte. Ltd.	Singapore	Production and distribution of quail eggs, Singapore	S$1	**100**	100
Khwan Hup Farming Pte Ltd	Singapore	Distribution of egg products, Singapore	S$200,000	**100**	100
Held through The Pasteurized Egg Company Pte. Ltd.:					
New Global Alliance Pte. Ltd.	Singapore	Investment holding, Singapore	S$450,000	**65**	65
Held through New Global Alliance Pte. Ltd.:					
Hometown Fruits & Vegetables Trading Pte. Ltd.	Singapore	Distribution of fruits and vegetables, Singapore	S$200,000	**49**	49

The Group's subsidiaries which have non-controlling interests that are immaterial to the Group.

29. BUSINESS COMBINATIONS

(a) Acquisition of Oh Chuan Aun Eggs Trading

(i) Summary of acquisition

On 1 October 2023, the Group's wholly owned subsidiary, N&N Agriculture Pte. Ltd. has acquired a business from a third party, to undertake the business of distribution of eggs in Singapore with a cash consideration of S$900,000 which 50% of the consideration has been paid on completion date and 50% will be paid six months after completion date.

The management has engaged an independent professional valuer to assist them in the Purchase Price Allocation ("PPA") exercise and determination of fair values of acquired assets and liabilities.

Details of the purchase consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	S$'000
Purchase consideration:	
Cash paid (refer to (a)(ii) below)	450
Second tranche to be paid	450
Total purchase consideration	900

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value S$'000
Intangible assets – Customer relationships *(Note 17)*	425
Deferred income tax liabilities *(Note 11)*	(72)
Net identifiable assets acquired	353
Add: Goodwill *(Note 17)*	547
Net assets acquired	**900**

The goodwill of S$547,000 arising from the acquisition is attributable to the synergies expected to arise from the Group provide support in infrastructure, networks and financing to the acquired business.

29. BUSINESS COMBINATIONS *(Continued)*

(a) Acquisition of Oh Chuan Aun Eggs Trading *(Continued)*

(i) Summary of acquisition (Continued)

Revenue and profit contribution

The acquired business contributed revenue of S$3,548,000 and net profit of S$373,000 to the Group for the period from the date of acquisition to 31 March 2024.

If the acquisition had occurred on 1 April 2023, consolidated revenue and profit for the year ended 31 March 2024 would have been S$115,513,000 and S$19,970,000 respectively.

(ii) Purchase consideration – cash outflow

	S$'000
Outflow of cash to acquire business, net of cash acquired:	
Cash consideration, representing net outflow of cash – investing activities	450

Acquisition-related costs

Acquisition-related costs of S$9,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(b) Acquisition of Hometown Fruits & Vegetables Trading Pte. Ltd.

(i) Summary of acquisition

On 1 April 2022, the Group's 49% owned subsidiary, Hometown Fruits & Vegetables Trading Pte. Ltd. has acquired a business from a third party, to undertake the business of wholesale trade of fruits and vegetables in Singapore.

The management has engaged an independent professional valuer to assist them in the PPA exercise and determination of fair values of acquired assets and liabilities.

Details of the purchase consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	S$'000
Purchase consideration (refer to (b)(ii) below):	
Cash paid	300
Total purchase consideration	300

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value S$'000
Intangible assets – Customer relationships *(Note 17)*	86
Intangible assets – Trade Secrets *(Note 17)*	96
Deferred income tax liabilities *(Note 11)*	(31)
Net identifiable assets acquired	151
Add: Goodwill *(Note 17)*	149
Net assets acquired	**300**

The goodwill of S$149,000 arising from the acquisition is attributable to the synergies expected to arise from the Group provide support in infrastructure, networks and financing to the acquired business.

Revenue and profit contribution

The acquired business contributed revenue of S$3,512,000 and net profit of S$78,000 to the Group for the period from the date of acquisition to 31 March 2023.

29. BUSINESS COMBINATIONS *(Continued)*

(b) Acquisition of Hometown Fruits & Vegetables Trading Pte. Ltd. *(Continued)*

(ii) Purchase consideration – cash outflow

	S$'000
Outflow of cash to acquire business, net of cash acquired:	
Cash consideration, representing net outflow of cash – investing activities	300

Acquisition-related costs

Acquisition-related costs of S$12,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(c) Acquisition of Hua Fu Xuan Eggs

(i) Summary of acquisition

On 1 May 2022, the Group Group's wholly owned subsidiary, N&N Agriculture Pte. Ltd. has acquired Hua Fu Xuan Eggs, a business principally engaged in the distribution of eggs.

The management has engaged an independent professional valuer to assist them in the PPA exercise and determination of fair values of acquired assets and liabilities.

Details of the purchase consideration and the net assets acquired, are as follows:

	S$'000
Purchase consideration (refer to (c)(ii) below):	
Cash paid	798
Total purchase consideration	798

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value S$'000
Property, plant and equipment *(Note 15)*	198
Intangible assets – Customer relationship *(Note 17)*	253
Deferred income tax liabilities *(Note 11)*	(45)
Net identifiable assets acquired	406
Add: Goodwill *(Note 17)*	392
Net assets acquired	**798**

The goodwill of S$392,000 arising from the acquisition is attributable to the synergies expected to arise from the economies of scale in combining the operations of Hua Fu Xuan Eggs with the Group.

Revenue and profit contribution

The acquired business contributed revenue of S$4,335,000 and net profit of S$645,000 to the Group for the period from the date of acquisition to 31 March 2023.

If the acquisition had occurred on 1 April 2022, consolidated revenue and profit for the year ended 31 March 2023 would have been S$96,160,000 and S$8,732,000 respectively.

29. BUSINESS COMBINATIONS *(Continued)*

(c) Acquisition of Hua Fu Xuan Eggs *(Continued)*

(ii) Purchase consideration – cash outflow

	S$'000
Outflow of cash to acquire business, net of cash acquired:	
Cash consideration, representing net outflow of cash – investing activities	798

Acquisition-related costs

Acquisition-related costs of S$12,000 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

30. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 1 April 2024, the Group had completed the acquisition of a business from a third party, to undertake the business of wholesale trade of eggs in Singapore with a cash consideration of S$550,000 which 50% of the consideration will be paid on completion date and 50% will be paid six months after completion date.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The following table provides a reconciliation for the movement of liabilities arising from financing activities for the years ended 31 March 2024 and 2023.

For the year ended 31 March 2024

				Non-cash changes			
	1 April 2023 S$'000	Proceeds from borrowings S$'000	Principal and interest S$'000	Interest expense S$'000	Derecognition during the year S$'000	Foreign exchange movement S$'000	31 March 2024 S$'000
Bank borrowings	25,371	10,770	(13,021)	1,212	–	(6)	24,326
Lease liabilities	1,179	147	(511)	29	(102)	–	742
	26,550	10,917	(13,532)	1,241	(102)	(6)	25,068

For the year ended 31 March 2023

				Non-cash changes			
	1 April 2022 S$'000	Proceeds from borrowings S$'000	Principal and interest S$'000	Interest expense S$'000	Addition during the year S$'000	Foreign exchange movement S$'000	31 March 2023 S$'000
Bank borrowings	22,388	9,000	(6,598)	592	–	(11)	25,371
Lease liabilities	1,087	–	(736)	29	799	–	1,179
	23,475	9,000	(7,334)	621	799	(11)	26,550

32. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	As at 31 March	
	2024	2023
	S$'000	S$'000
Assets		
Non-current assets		
Investments in subsidiaries	*	*
	*	*
Current assets		
Amount due from subsidiaries	**33,612**	16,837
Prepayments	**22**	22
Cash and cash equivalents	**25**	107
Total assets	**33,659**	16,966
Equity and liabilities		
Equity attributable to owners of the company		
Share capital	**890**	890
Share premium	**8,544**	8,544
Retained earnings	**24,141**	4,126
Total equity	**33,575**	13,560
Liabilities		
Current liabilities		
Trade and other payables	**61**	3,384
Current income tax liabilities	**23**	22
Total liabilities	**84**	3,406
Total equity and liabilities	**33,659**	16,966

* Amount less than S$1,000.

The balance sheet of the Company was approved by the Board of Directors on 24 June 2024 and was signed on its behalf:

Ma Chin Chew
Director

Lim Siok Eng
Director

32. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

	Retained earnings S$'000
At 1 April 2022	4,109
Profit for the year	17
At 31 March 2023	4,126
At 1 April 2023	4,126
Profit for the year	20,015
At 31 March 2024	**24,141**

Financial Summary

RESULTS

	2024 S$'000	2023 S$'000	2022 S$'000	2021 S$'000	2020 S$'000
Revenue	**108,417**	95,766	67,058	52,453	46,252
Profit before tax	**23,217**	10,373	3,786	8,511	5,996
Income tax expense	**(3,993)**	(1,698)	(253)	(1,049)	(838)
Profit for the year	**19,224**	8,675	3,533	7,462	5,158

ASSETS AND LIABILITIES

	2024 S$'000	2023 S$'000	2022 S$'000	2021 S$'000	2020 S$'000
Total assets	**108,499**	91,437	72,785	58,712	43,540
Total liabilities	**42,617**	44,779	35,009	24,469	16,759
Total equity	**65,882**	46,658	37,776	34,243	26,781