

## **NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF CROPMATE BERHAD (“CROPMATE” OR “COMPANY”) DATED 15 NOVEMBER 2024 (“ELECTRONIC PROSPECTUS”)**

*(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)*

### **Website**

The Electronic Prospectus can be viewed or downloaded from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) (“Website”).

### **Availability and Location of Paper/Printed Prospectus**

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Hong Leong Investment Bank Berhad or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the Application Forms are not available in electronic format.

### **Jurisdictional Disclaimer**

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. Bursa Securities, the Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Bookrunner have not authorised anyone and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any of the IPO Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves and to observe such restrictions.

### **Close of Application**

Applications for the IPO Shares will be accepted from **10.00 a.m.** on **15 November 2024** and will close at **5.00 p.m.** on **22 November 2024**. Any change to the timetable will be advertised by Cropmate in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia and will make the relevant announcement through Bursa Securities.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

### **Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted**

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus as provided by the Company to Bursa Securities are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



**CROPMATE BERHAD**

(Registration No. 202301035376 (1529299-W))  
(Incorporated in Malaysia under the Companies Act, 2016)

INITIAL PUBLIC OFFERING (“**IPO**”) OF 260,000,000 ORDINARY SHARES IN CROPMATE BERHAD (“**CROPMATE**” OR “**COMPANY**”) (“**IPO SHARES**”) IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED ORDINARY SHARES IN CROPMATE (“**SHARES**”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) COMPRISING A PUBLIC ISSUE OF 210,000,000 NEW SHARES AND AN OFFER FOR SALE OF 50,000,000 EXISTING SHARES INVOLVING:

- (i) INSTITUTIONAL OFFERING OF 208,340,000 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (“**INSTITUTIONAL PRICE**”); AND
- (ii) RETAIL OFFERING OF 51,660,000 IPO SHARES TO THE MALAYSIAN PUBLIC, ELIGIBLE DIRECTORS, ELIGIBLE EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF CROPMATE AND ITS SUBSIDIARY, AT THE RETAIL PRICE OF RM0.20 PER IPO SHARE (“**RETAIL PRICE**”), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (i) THE RETAIL PRICE OF RM0.20 PER IPO SHARE; OR
- (ii) THE INSTITUTIONAL PRICE.

*Principal Adviser, Sponsor, Underwriter and Bookrunner*



**Hong Leong Investment Bank Berhad**  
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)  
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

BURSA SECURITIES HAS APPROVED OUR IPO. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF OUR IPO AND THE REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 204.**

**THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.**

**THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.**

THIS PROSPECTUS IS DATED 15 NOVEMBER 2024

CROPMATE BERHAD (Registration No. 202301035376 (1529299-W))

PROSPECTUS



[www.cropmate.com.my](http://www.cropmate.com.my)



**CROPMATE BERHAD**

(Registration No. 202301035376 (1529299-W))  
(Incorporated in Malaysia under the Companies Act, 2016)

Lot 8949, Jalan Telok Gong KS/10  
Kampung Nelayan, Telok Gong  
42000 Pelabuhan Klang  
Selangor Darul Ehsan  
Malaysia

Tel. No. : (603) 3134 1216  
Email : [info@cropmate.com.my](mailto:info@cropmate.com.my)

## RESPONSIBILITY STATEMENTS

Our Directors (as defined in this Prospectus), Promoters (as defined in this Prospectus) and Offerors (as defined in this Prospectus) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Hong Leong Investment Bank Berhad, being our Principal Adviser, Sponsor, Underwriter and Bookrunner acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

## STATEMENTS OF DISCLAIMER

The valuation utilised for the purpose of our IPO should not be construed as an endorsement by Bursa Securities, on the value of the subject assets.

Approval has been granted by Bursa Securities for the listing of and quotation for our Shares. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form (as defined in this Prospectus), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

## OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 (“**CMSA**”) for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to this Prospectus or the conduct of any person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Our Shares are classified as Shariah compliant by the SAC (as defined in this Prospectus). This classification remains valid from the date of issue of the Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

Our Shares being offered in our IPO are offered solely based on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Bookrunner have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Bookrunner, or any of their respective directors or any other persons involved in our IPO.

This Prospectus has been prepared and published in the context of an IPO under the laws of Malaysia. This Prospectus does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Bookrunner have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia. No action has been taken to permit a public offering of our Shares in any jurisdiction other than Malaysia based on this Prospectus. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase any of our Shares being offered in our IPO in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/or other professional adviser as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions.

Further, it shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

However, we reserve the right in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

### **ELECTRONIC PROSPECTUS**

This Prospectus can be viewed or downloaded from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com). The contents of the Electronic Prospectus (as defined in this Prospectus) and the copy of this Prospectus registered with the Bursa Securities are the same.

You are advised that the internet is not a fully secure medium. Your Internet Share Application (as defined in this Prospectus) may be subject to risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions or Participating Securities Firms (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions or Participating Securities Firms.

If you are in doubt as to the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House (as defined in this Prospectus), a printed copy of this Prospectus.

In the event of any discrepancies between the contents of the Electronic Prospectus and the printed copy of this Prospectus for any reason whatsoever, the contents of the printed copy of this Prospectus, which is identical to the copy of the Prospectus registered with Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we and our Principal Adviser are not responsible for any availability of, or the contents or any data, information, files or other material provided on the Third-Party Internet Sites. You shall bear all risks associated with the access to or use of the Third-Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly for fulfilling any of the terms of your agreements with the Third-Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by the Third-Party Internet Sites; and
- (iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions or Participating Securities Firms, you are advised that:

- (a) the Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions or Participating Securities Firms are not responsible in any way for the integrity of the contents of the Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions or Participating Securities Firms and subsequently communicated or disseminated in any manner to you or other parties;
- (b) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and
- (c) the Internet Participating Financial Institutions or Participating Securities Firms shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracy, change, alteration, deletion or omission in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions or Participating Securities Firms, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

**INDICATIVE TIMETABLE**

The following events are intended to take place on the following indicative time and/or date:

| <b>Event</b>   | <b>Time / date</b>           |
|--|------------------------------|
| Opening of the Institutional Offering                                  | 15 November 2024             |
| Issuance of this Prospectus / Opening of the Retail Offering           | 10.00 a.m., 15 November 2024 |
| Closing of the Retail Offering   | 5.00 p.m., 22 November 2024  |
| Closing of the Institutional Offering                                  | 22 November 2024             |
| Price Determination Date   | 22 November 2024             |
| Balloting of applications for our IPO Shares under the Retail Offering | 27 November 2024             |
| Allotment / Transfer of our IPO Shares to successful applicants        | 4 December 2024              |
| Listing  | 5 December 2024              |

If there is any change to the indicative timetable above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia and will make the relevant announcement through Bursa Securities.

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**TABLE OF CONTENTS**


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|  | <b>PAGE</b>  |
|--|--------------|
| <b>PRESENTATION OF FINANCIAL AND OTHER INFORMATION .....</b>                   | <b>ix</b>    |
| <b>FORWARD-LOOKING STATEMENTS .....</b>  | <b>x</b>     |
| <b>DEFINITIONS .....</b>   | <b>xi</b>    |
| <b>GLOSSARY OF TECHNICAL TERMS .....</b>                                       | <b>xviii</b> |
| <b>1. CORPORATE DIRECTORY .....</b>  | <b>1</b>     |
| <b>2. PROSPECTUS SUMMARY .....</b>   | <b>6</b>     |
| 2.1 Principal details of our IPO .....   | 6            |
| 2.2 Our business .....   | 6            |
| 2.3 Our competitive strengths .....  | 7            |
| 2.4 Business strategies and plans .....  | 8            |
| 2.5 Risk factors .....   | 9            |
| 2.6 Material interruptions to the business.....                                | 10           |
| 2.7 Promoters and Substantial Shareholders .....                               | 11           |
| 2.8 Directors and Key Senior Management .....                                  | 12           |
| 2.9 Use of proceeds .....  | 12           |
| 2.10 Financial and operational highlights .....                                | 13           |
| 2.11 Dividend policy .....   | 14           |
| <b>3. APPROVALS AND CONDITIONS .....</b>                                       | <b>16</b>    |
| 3.1 Approvals and conditions .....   | 16           |
| 3.2 Moratorium on our Shares .....   | 17           |
| <b>4. DETAILS OF OUR IPO .....</b>   | <b>19</b>    |
| 4.1 Indicative timetable .....   | 19           |
| 4.2 Particulars of our IPO .....   | 19           |
| 4.3 Share capital, classes of shares and rankings .....                        | 27           |
| 4.4 Basis of arriving at the price of our IPO Shares and refund mechanism..... | 28           |
| 4.5 Dilution .....   | 29           |
| 4.6 Use of proceeds .....  | 31           |
| 4.7 Brokerage fee, underwriting commission and placement fee .....             | 35           |
| 4.8 Details of underwriting arrangement .....                                  | 36           |
| 4.9 Trading and settlement in secondary market .....                           | 42           |

## TABLE OF CONTENTS (CONT'D)

|   | <b>PAGE</b> |
|---|-------------|
| <b>5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT .....</b>                             | <b>43</b>   |
| 5.1 Promoters and Substantial Shareholders .....  | 43          |
| 5.2 Board of Directors .....  | 48          |
| 5.3 Board practices .....   | 67          |
| 5.4 Key Senior Management .....   | 76          |
| 5.5 Associations or family relationships between our Directors, Promoters, Substantial Shareholders and Key Senior Management ..... | 83          |
| 5.6 Declarations by our Promoters, Directors and Key Senior Management .....  | 83          |
| 5.7 Service contracts.....  | 84          |
| <b>6. INFORMATION ON OUR GROUP .....</b>  | <b>85</b>   |
| 6.1 Our Group .....   | 85          |
| 6.2 The formation of our Group .....  | 85          |
| 6.3 Our Group structure .....   | 89          |
| 6.4 Our Subsidiary .....  | 90          |
| 6.5 Material investments and divestitures .....   | 91          |
| 6.6 Public take-overs .....   | 92          |
| <b>7. BUSINESS OVERVIEW.....</b>  | <b>93</b>   |
| 7.1 Overview of our business .....  | 93          |
| 7.2 Mode of operation .....   | 104         |
| 7.3 Our competitive strengths .....   | 104         |
| 7.4 Our products and operations .....   | 108         |
| 7.5 Marketing strategies and activities .....   | 122         |
| 7.6 Seasonality .....   | 123         |
| 7.7 Major machinery and equipment .....   | 124         |
| 7.8 Production capacity and utilisation .....   | 124         |
| 7.9 Operational facilities.....   | 125         |
| 7.10 Process flow.....  | 126         |
| 7.11 Research and development .....   | 130         |
| 7.12 Material interruptions to the business .....   | 132         |
| 7.13 Major customers .....  | 132         |
| 7.14 Our input materials .....  | 135         |
| 7.15 Major suppliers .....  | 138         |
| 7.16 Business strategies and plans .....  | 141         |
| 7.17 ESG practices .....  | 145         |
| 7.18 Employees.....   | 147         |
| 7.19 Material properties .....  | 148         |
| 7.20 Intellectual properties .....  | 151         |
| 7.21 Material licences, permits and approvals .....   | 163         |
| 7.22 Governing laws and regulations .....   | 186         |
| 7.23 Exchange control.....  | 192         |



## TABLE OF CONTENTS (CONT'D)

|   | <b>PAGE</b> |
|---|-------------|
| <b>8. INDEPENDENT MARKET RESEARCH REPORT .....</b>  | <b>193</b>  |
| <b>9. RISK FACTORS .....</b>  | <b>204</b>  |
| 9.1 Risks relating to our business and operations .....   | 204         |
| 9.2 Risks relating to the industry in which we operate.....   | 208         |
| 9.3 Risks relating to investment in our Shares .....  | 210         |
| <b>10. RELATED PARTY TRANSACTIONS .....</b>   | <b>213</b>  |
| 10.1 Related party transactions .....   | 213         |
| 10.2 Other transactions .....   | 225         |
| 10.3 Monitoring and oversight of related party transactions .....   | 228         |
| <b>11. CONFLICT OF INTEREST .....</b>   | <b>229</b>  |
| 11.1 Interest in entities carrying on a similar trade as our Group or which are our<br>customers and/or suppliers ..... | 229         |
| 11.2 Declarations of conflict of interests by our advisers .....  | 230         |
| <b>12. FINANCIAL INFORMATION.....</b>   | <b>232</b>  |
| 12.1 Historical financial information .....   | 232         |
| 12.2 Capitalisation and indebtedness.....   | 236         |
| 12.3 Management's discussion and analysis of financial condition and results of<br>operations .....                     | 237         |
| 12.4 Liquidity and capital resources.....   | 275         |
| 12.5 Trend information .....  | 289         |
| 12.6 Order book .....   | 290         |
| 12.7 Significant changes / events .....   | 290         |
| 12.8 Dividend policy .....  | 291         |
| 12.9 Reporting Accountants' Report on pro forma combined statements of<br>financial position .....                      | 293         |
| <b>13. ACCOUNTANTS' REPORT.....</b>   | <b>313</b>  |
| <b>14. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE.....</b>  | <b>386</b>  |
| <b>15. ADDITIONAL INFORMATION.....</b>  | <b>413</b>  |
| 15.1 Share capital .....  | 413         |
| 15.2 Extract of our Constitution .....  | 413         |
| 15.3 Deposited securities and rights of depositors .....  | 429         |
| 15.4 Limitation on the right to own securities .....  | 429         |
| 15.5 Material contracts .....   | 429         |
| 15.6 Material litigation .....  | 430         |
| 15.7 Consents .....   | 430         |

**TABLE OF CONTENTS (CONT'D)**

|   | <b>PAGE</b> |
|---|-------------|
| 15.8 Documents available for inspection .....                         | 431         |
| 15.9 Responsibility statements .....                                  | 431         |
| <b>16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE .....</b> | <b>432</b>  |
| 16.1 Opening and closing of application .....                         | 432         |
| 16.2 Methods of application .....                                     | 432         |
| 16.3 Eligibility .....  | 433         |
| 16.4 Application by way of Application Forms .....                    | 434         |
| 16.5 Application by way of Electronic Share Applications .....        | 435         |
| 16.6 Application by way of Internet Share Applications .....          | 435         |
| 16.7 Authority of our Board and our Issuing House .....               | 435         |
| 16.8 Over/ under-subscription .....                                   | 436         |
| 16.9 Unsuccessful/ partially successful applicants .....              | 436         |
| 16.10 Successful applicants .....                                     | 438         |
| 16.11 Enquiries .....   | 438         |

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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All references to “Cropmate” or “Company” in this Prospectus are to Cropmate Berhad. All references to “Cropmate Group” or “Group” are to our Company and our Subsidiary (as defined in this Prospectus) taken as a whole; and references to “we”, “us”, “our” and “ourselves” are to our Company and where the context otherwise requires, our Group. Unless the context otherwise requires, references to “management” are to our Directors and Key Senior Management (as defined in this Prospectus) as at the date of this Prospectus. Statements as to our beliefs, expectations, estimates and opinions are those of our management.

All references to “Government” are to the Government of Malaysia.

Certain amounts and percentage figures included in this Prospectus have been subjected to rounding adjustments. The word “approximately” used in this Prospectus indicates that a number is not an exact one, but that number is usually rounded off to the nearest thousandth or million or 1 decimal place or 1 sen. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding adjustments.

Certain acronyms, technical terms and other abbreviations used in this Prospectus are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus.

Words denoting the singular will, where applicable, include the plural and vice versa and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and vice versa. References to persons will, where applicable, include companies and corporations.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of stock exchange will (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to a date and time will be a reference to Malaysian time, unless otherwise stated. All references to the “LPD” in this Prospectus are to 15 October 2024, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the market and industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from us or is extracted from the report prepared by Vital Factor (as defined in this Prospectus), an independent business and market research consultants, of which is included in **Section 8** of this Prospectus. We have appointed Vital Factor to provide an independent market and industry review. In compiling its data for the review, Vital Factor had relied on its research methodology, industry sources, published materials, its own private databanks and direct contacts within the industry.

We believe that the information on the industry as contained in this Prospectus and other statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. Third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurance are or can be given that the estimated figures will be achieved and you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website or any website, directly or indirectly, linked to our website does not form part of this Prospectus and you should not rely on it. If there is any discrepancy between the contents of such website relating to our Group and this Prospectus, the information contained in this Prospectus shall prevail.

## FORWARD-LOOKING STATEMENTS

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This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our current views with respect to future events and do not guarantee future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions and include all statements that are not historical facts.

Forward-looking statements include, without limitation, statements relating to:

- (i) demand for our services;
- (ii) our business strategies and potential growth opportunities;
- (iii) our future plans;
- (iv) our financial position;
- (v) our financial earnings, cash flows and liquidity; and
- (vi) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) reliance on approvals, licences and permits;
- (ii) the economic, political and investment environment in countries where we operate;
- (iii) the government policy, legislation or regulation of countries where we operate; and
- (iv) other factors which may or may not be within our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in **Section 9** of this Prospectus on “Risk Factors” and **Section 12.3** of this Prospectus on “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised.

Save as required under Section 238(1) of the CMA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus), we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Prospectus to reflect any changes in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

You are deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

**DEFINITIONS**

The following terms in this Prospectus bear the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:

**COMPANIES WITHIN OUR GROUP:**

|                                   |   |
|-----------------------------------|---|
| Cropmate or Company               | : Cropmate Berhad (Registration No. 202301035376 (1529299-W))             |
| Cropmate Fertilizer or Subsidiary | : Cropmate Fertilizer Sdn Bhd (Registration No. 201801010226 (1272241-X)) |
| Cropmate Group or Group           | : Our Company and our Subsidiary, collectively                            |

**GENERAL:**

|                                     |  |
|-------------------------------------|--|
| ACE Market                          | : ACE Market of Bursa Securities   |
| Acquisition of Cropmate Fertilizer  | : Acquisition of the entire equity interest of Cropmate Fertilizer from Lee Chin Yok, Lee Cheng Seng, Lee Cheng Fei, Lau Sam Siong and Datuk Tan Chew Chin for a purchase consideration of approximately RM33.1 million by our Company to be satisfied via the issuance of 527,999,900 new Shares at an issue price of RM0.0627 per Share. The Acquisition of Cropmate Fertilizer was completed on 27 September 2024 |
| Act                                 | : Companies Act, 2016  |
| ADA                                 | : Authorised Depository Agent  |
| AGM                                 | : Annual general meeting   |
| Application(s)                      | : Application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application  |
| Application Form(s)                 | : Printed application form(s) for the application of our IPO Shares accompanying this Prospectus   |
| ASP                                 | : Average selling price  |
| ATM                                 | : Automatic teller machine   |
| Authorised Financial Institution(s) | : Authorised financial institution participating in the Internet Share Application with respect to payments for our IPO Shares   |
| Board                               | : Board of Directors of our Company  |
| Bursa Depository                    | : Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))   |
| Bursa Securities                    | : Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))  |
| CAGR                                | : Compound annual growth rate  |

**DEFINITIONS (CONT'D)**


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|                               |   |  |
|-------------------------------|---|--|
| CCC or CF                     | : | Certificate of completion and compliance or Certificate of fitness for occupation or such certificate by any other name issued by the relevant authority or person under the Street, Drainage and Building Act 1974 and any by-laws made under it or such relevant legislation applicable at the material time |
| CDS                           | : | Central depository system  |
| CDS Account                   | : | Securities account established by Bursa Depository for a depositor for the recording of deposits of securities and dealings in such securities by the depositor  |
| CMSA                          | : | Capital Markets and Services Act, 2007   |
| Constitution                  | : | Constitution of our Company as may be amended from time to time  |
| COS                           | : | Cost of sales  |
| COVID-19                      | : | Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019  |
| Cropmate Share(s) or Share(s) | : | Ordinary share(s) in Cropmate  |
| Director(s)                   | : | Director(s) of our Company   |
| DOE                           | : | Department of Environment  |
| EBITDA                        | : | Earnings before interest, tax, depreciation and amortisation   |
| Electronic Prospectus         | : | A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to compact disc read-only memory (CD-ROMs)   |
| Electronic Share Application  | : | Application for our IPO Shares under the Retail Offering through a Participating Financial Institution's ATM   |
| Eligible Person(s)            | : | Eligible Directors, employees of our Group and persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering   |
| EPS                           | : | Earnings per Share   |
| ESG                           | : | Environmental, social and governance   |
| Excess Share(s)               | : | IPO Share(s) not taken up by the Eligible Persons under the Pink Form Allocation, which will be subject to clawback and reallocation provisions  |
| Executive Director(s)         | : | Lee Chin Yok, Lee Cheng Seng and Lee Cheng Fei, being the executive directors of our Company, collectively   |

**DEFINITIONS (CONT'D)**

|   |   |  |
|---|---|--|
| Factory Lot 8949  | : | A parcel of freehold industrial land presently built upon with an individually designed single-storey detached factory/warehouse together with a 3-storey office section held under title bearing GM 23073 for Lot 179010 (formerly known as Lot 8949), Mukim and District of Klang, State of Selangor Darul Ehsan with postal address of Lot 8949, Jalan Telok Gong KS/10, Kampung Nelayan, Telok Gong, 42000 Pelabuhan Klang, Selangor Darul Ehsan |
| Factory Lot 8950  | : | A parcel of leasehold industrial land presently built upon with an individually designed single-storey detached factory/warehouse held under title bearing H.S. (M) 58011 for PT 152572 (formerly known as Lot 8950), Mukim and District of Klang, State of Selangor Darul Ehsan with postal address of Lot 8950, Jalan Telok Gong KS/10, Kampung Nelayan, Telok Gong, 42000 Pelabuhan Klang, Selangor Darul Ehsan                                   |
| Final Retail Price  | : | Final price per IPO Share to be paid by investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date   |
| Financial Period(s) Under Review                                  | : | FYE 2021, FYE 2022, FYE 2023 and FPE 2024, collectively  |
| FPE   | : | 5-month financial period ended 31 May  |
| FYE   | : | Financial year ended/ending 31 December, as the case may be  |
| Government  | : | Government of Malaysia   |
| GP  | : | Gross profit   |
| HLIB or Principal Adviser or Sponsor or Underwriter or Bookrunner | : | Hong Leong Investment Bank Berhad (Registration No. 197001000928 (10209-W))  |
| IFRS  | : | International Financial Reporting Standards as issued by the International Accounting Standards Board  |
| IMR or Vital Factor   | : | Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), an independent business and market research consulting company   |
| IMR Report  | : | Independent market research report dated 10 October 2024 prepared by Vital Factor  |
| Institutional Offering  | : | Institutional offering of 208,340,000 IPO Shares comprising: <ul style="list-style-type: none"> <li>(i) 92,250,000 IPO Shares made available to Bumiputera investors approved by the MITI; and</li> <li>(ii) 116,090,000 IPO Shares made available to institutional and selected investors (other than Bumiputera investors approved by the MITI),</li> </ul> at the Institutional Price, subject to the clawback and reallocation provisions        |

**DEFINITIONS (CONT'D)**

|   |   |   |
|---|---|---|
| Institutional Price   | : | Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding  |
| Internet Participating Financial Institution or Participating Securities Firm | : | Participating financial institution or Participating Securities Firm for the Internet Share Application   |
| Internet Share Application  | : | Application for our IPO Shares under the Retail Offering through an Internet Participating Financial Institution or Participating Securities Firm   |
| IPO   | : | Initial public offering comprising the Public Issue and Offer for Sale, in conjunction with our Listing   |
| IPO Share(s)  | : | Issue Share(s) and Offer Share(s), collectively   |
| ISO   | : | International Organisation for Standardisation  |
| Issue Share(s)  | : | New Share(s) to be issued by our Company under the Public Issue   |
| Issuing House and Share Registrar   | : | Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))  |
| Key Senior Management   | : | Key senior management personnel of our Group comprising Lee Chin Yok, Lee Cheng Seng, Lee Cheng Fei, Leong Fo Seong, Ian Siah Jun Ren, Lim Kee Choy and Teow Kooi Thong   |
| KPDNKSH   | : | Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup (formerly known as Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna)   |
| Listing   | : | Admission of our Company to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued Shares on the ACE Market  |
| Listing Requirements  | : | ACE Market Listing Requirements of Bursa Securities   |
| Lot 51  | : | A parcel of leasehold vacant corner detached industrial land held under title bearing H.S.(D) 164202 for PT 152624, Mukim and District of Klang, State of Selangor Darul Ehsan with postal address of Lot 51, Jalan Sungai Chandong 27/KS11, Kawasan Perindustrian Pulau Indah (Phase 3 Pulau Indah), 42920 Pelabuhan Klang, Selangor Darul Ehsan |
| LPD   | : | 15 October 2024, being the latest practicable date prior to the registration of this Prospectus   |
| Malaysian Public  | : | Citizens of Malaysia, companies, societies, co-operatives and institutions incorporated and organised under the laws of Malaysia  |



**DEFINITIONS (CONT'D)**

|  |   |
|--|---|
| Market Day(s)                          | : A day on which Bursa Securities is open for trading in securities, which may include a surprise holiday (being a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the start of the calendar year)  |
| MCCG                                   | : Malaysian Code on Corporate Governance issued by the SC   |
| MCO                                    | : The nationwide Movement Control Order imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic, which commenced on 18 March 2020 and include all its subsequent phases such as Enhanced MCO (“ <b>EMCO</b> ”) |
| MFRS                                   | : Malaysian Financial Reporting Standards   |
| MIA                                    | : Malaysian Institute of Accountants  |
| MIDA                                   | : Malaysian Investment Development Authority  |
| MITI                                   | : Ministry of Investment, Trade and Industry  |
| N/A                                    | : Not applicable  |
| NA                                     | : Net assets  |
| Offer for Sale                         | : Offer for sale of 50,000,000 IPO Shares by our Offerors to Bumiputera investors approved by MITI under the Institutional Offering   |
| Offeror(s)                             | : Lee Chin Yok, Lee Cheng Seng, Lee Cheng Fei, Lau Sam Siong and Datuk Tan Chew Chin, collectively  |
| Offer Share(s)                         | : Existing Share(s) to be offered by the Offerors under the Offer for Sale  |
| Official List                          | : A list specifying all securities listed on the ACE Market   |
| Participating Financial Institution(s) | : Participating financial institution(s) for the Electronic Share Application, as listed in Section 16 of this Prospectus   |
| Participating Securities Firm(s)       | : Participating securities firm(s) for the Internet Share Application, as listed in Section 16 of this Prospectus   |
| PAT                                    | : Profit after tax  |
| PBT                                    | : Profit before tax   |
| Pink Form Allocation                   | : The allocation of 14,760,000 IPO Shares to the Eligible Persons under the Retail Offering   |
| Pre-IPO Exercise                       | : Restructuring exercise involving the Acquisition of Cropmate Fertilizer, Proposed Acquisition of Factory Lot 8949, Proposed Acquisition of Factory Lot 8950 and Proposed Disposal of Lot 51, collectively   |

**DEFINITIONS (CONT'D)**

|  |   |  |
|--|---|--|
| Price Determination Date                 | : | The date on which the Institutional Price and Final Retail Price will be determined  |
| Promoter(s) or Specified Shareholder(s)  | : | Lee Chin Yok, Lee Cheng Seng and Lee Cheng Fei, collectively   |
| Proposed Acquisition of Factory Lot 8949 | : | Proposed acquisition of Factory Lot 8949 from Super Nine for a cash consideration of RM16.3 million by Cropmate Fertilizer   |
| Proposed Acquisition of Factory Lot 8950 | : | Proposed acquisition of Factory Lot 8950 from Lee Chin Yok and Lee Cheng Seng for a cash consideration of RM13.5 million by Cropmate Fertilizer  |
| Proposed Disposal of Lot 51              | : | Proposed disposal of Lot 51 to Super Nine for a cash consideration of RM11.4 million by Cropmate Fertilizer  |
| Prospectus                               | : | This Prospectus dated 15 November 2024 issued by our Company in relation to our IPO  |
| Prospectus Guidelines                    | : | Prospectus Guidelines issued by the SC   |
| Public Issue                             | : | Public issue of 210,000,000 IPO Shares comprising the Retail Offering and Institutional Offering   |
| R&D                                      | : | Research and development   |
| Record of Depositors                     | : | A record of securities holders established by Bursa Depository under the Rules of Bursa Depository   |
| Retail Offering                          | : | Retail offering of 51,660,000 IPO Shares comprising: <ul style="list-style-type: none"> <li>(i) 36,900,000 IPO Shares made available for application by the Malaysian Public via balloting; and</li> <li>(ii) 14,760,000 IPO Shares made available for application by the Eligible Persons,</li> </ul> at the Retail Price per IPO Share, payable in full upon application and subject to refund of the difference between the Retail Price and the Final Retail Price in the event that the Final Retail Price is less than the Retail Price, subject to the clawback and reallocation provisions |
| Retail Price                             | : | Indicative price of RM0.20 per IPO Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in <b>Section 4.4.1</b> of this Prospectus   |
| Rules of Bursa Depository                | : | Rules of Bursa Depository as issued pursuant to the SICDA  |
| SAC                                      | : | Shariah Advisory Council of the SC   |
| SC                                       | : | Securities Commission Malaysia   |
| SICDA                                    | : | Securities Industry (Central Depositories) Act, 1991   |
| Substantial Shareholder(s)               | : | Lee Chin Yok, Lee Cheng Seng, Lee Cheng Fei, Lau Sam Siong and Datuk Tan Chew Chin, collectively   |

**DEFINITIONS (CONT'D)**

|                              |   |   |
|------------------------------|---|---|
| Super Nine                   | : | Super Nine Capital Sdn Bhd (Registration No. 200701026605 (784626-V))   |
| Underwriting Agreement       | : | Underwriting agreement dated 14 October 2024 entered into between our Company and the Underwriter for the underwriting of our IPO Shares under the Retail Offering  |
| Update Valuation Certificate | : | The updated valuation certificate prepared by the Valuer dated 3 April 2024 in respect of the Factory Lot 8949, Factory Lot 8950 and Lot 51 valued based on the material date of valuation of 15 March 2024   |
| Valuation Certificate        | : | The valuation certificate prepared by the Valuer dated 23 October 2023 in respect of the Factory Lot 8949, Factory Lot 8950 and Lot 51 valued based on the material date of valuation of 3 October 2023   |
| Valuer or Azmi & Co          | : | Azmi & Co (Shah Alam) Sdn Bhd (Registration No. 200001022338 (524945-H)), an independent registered valuer  |
| Voluntary Shareholders       | : | Lau Sam Siong and Datuk Tan Chew Chin, collectively   |
| Warehouse Lot 11925          | : | A parcel of leasehold industrial land presently built upon with a warehouse held under title bearing PM 7342 for Lot 11925, Mukim and District of Klang, State of Selangor Darul Ehsan with postal address of Lot 11925, Jalan Perajurit 1, Telok Gong, 42000 Pelabuhan Klang, Selangor Darul Ehsan |

**CURRENCIES, UNITS AND OTHERS**

|            |   |   |
|------------|---|---|
| RM and sen | : | Ringgit Malaysia and sen, the lawful currency of Malaysia                 |
| RMB        | : | Renminbi, currency of the People's Republic of China                      |
| USD        | : | United States Dollar, the lawful currency of the United States of America |
| Sq ft      | : | Square feet   |
| Sqm        | : | Square metres   |
| %          | : | Per centum  |

*[The rest of this page has been intentionally left blank]*

## GLOSSARY OF TECHNICAL TERMS

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This glossary contains the explanation of certain terms used throughout this Prospectus in connection with our Group and business. The terminologies and their meanings may not correspond to the standard industry meanings usage of these terms.

|  |   |  |
|--|---|--|
| Agriculture                            | : | Cultivation of plants for economic benefits  |
| Biostimulants                          | : | In the context of this Prospectus, they refer to substances when applied for plant use, will stimulate the natural process of the plant including improving nutrient uptake, stimulating growth, increasing plant resilience to adverse environmental factors and improve crop quality. Biostimulants are also created through the natural process of composting   |
| Blending                               | : | Physically mixing two or more input materials based on specific formulations and processes   |
| Blended                                | : | Physically mixing two or more fertilisers in powder or granule form  |
| Compacted fertilisers                  | : | Fertilisers that have been compacted into granule form   |
| Compost                                | : | The remains of organic matter after they have been broken down by activities of microorganisms or decayed under natural conditions in the presence of oxygen after some time   |
| Compound                               | : | In the context of this Prospectus, it refers to materials comprising 2 or more substances  |
| Conventional fertilisers               | : | In the context of this Prospectus, it refers to mineral and chemical (inorganic) fertilisers including straight fertilisers (N, P or K) or compound fertilisers comprising macronutrients and/or micronutrients  |
| Customised formulation                 | : | It refers to fertiliser formulation that is not standard formulation but specially formulated for individual customers   |
| Empty fruit bunches (EFB)              | : | The part of the oil palm that holds the oil palm fruits after all fruits have been removed   |
| Ethylenediaminetetraacetic acid (EDTA) | : | A chemical compound used to bind certain micronutrients such as iron, zinc, manganese and copper to prevent them from oxidising or reacting with other substances in the soil for improved plant take-up of the micronutrients   |
| Fertilisers                            | : | Substances added to plant growth medium such as soil, that is beneficial to the development, growth and health of plants. Fertilisers comprise primary macronutrients (nitrogen (N), phosphorous (P) and potassium (K)), secondary macronutrients (calcium, magnesium and sulphur) and micronutrients (iron, boron, manganese, zinc, copper, molybdenum, chlorine, vanadium, cobalt, nickel, sodium silicon and others). |

In the context of this Prospectus, the term fertiliser mainly refers to mineral and chemical fertilisers, except for specialty fertilisers which include organic-based fertilisers. Fertilisers are also taken to mean macronutrients and/or micronutrients

**GLOSSARY OF TECHNICAL TERMS (CONT'D)**


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|                                  |   |   |
|----------------------------------|---|---|
| Foliar                           | : | Leaves of plants  |
| Formulation                      | : | In the context of this Prospectus, it refers to the presence and the proportion of macronutrients, micronutrients and other added substances in a mixture of fertilisers  |
| Formulation and Blending Segment | : | In the context of this Prospectus, it refers to the formulation and blending including the mixing of conventional and specialty fertilisers   |
| Inorganic fertilisers            | : | They refer to mineral and chemical fertilisers which are synthetically manufactured from mined or extracted substances, and chemically processed to serve as nutrients for plants   |
| K fertilisers                    | : | K fertilisers refer to a type of fertiliser which contains the element potassium such as muriate of potash and potassium chloride (KCl)   |
| Macronutrients                   | : | Nutrients that are required in relatively large quantities by plants. It includes primary macronutrients namely nitrogen (N), phosphorous (P) and potassium (K), and secondary macronutrients namely calcium (Ca), magnesium (Mg) and sulphur (S). While the required macronutrients are referred to by their respective elements, such as P, the source of P is from a compound such as diammonium phosphate   |
| Microbes                         | : | Tiny living organisms (microorganism) including bacteria, viruses and fungi, that are too small to be seen by the naked eye. In the context of this Prospectus, it refers to beneficial living organisms in the soil that help break down nutrients for better take-up by plants, improve soil conditions and assist in mineral uptake by plants  |
| Micronutrients                   | : | Micronutrients are required in relatively small quantities. The main micronutrients include iron (Fe), boron (B), manganese (Mn), zinc (Zn), copper (Cu), molybdenum (Mo) and chlorine (Cl). Other micronutrients include vanadium (V), cobalt (Co), nickel (Ni), sodium (Na) and silicon (Si).<br><br>While the micronutrients are referred to by their respective elements, such as Mn, the source of Mn is from a compound such as manganese oxide (MnO) |
| N fertilisers                    | : | N fertilisers refer to a type of fertiliser which contains the element nitrogen such as urea  |
| Nutrients                        | : | In the context of this Prospectus, it refers to food for the sustenance, growth and health of plants comprising macronutrients and micronutrients, excluding water and sunlight. It also refers to the specific macronutrients and micronutrients in fertilisers  |
| Organic fertilisers              | : | They refer to plant and/or animal-based materials used to provide nutrients to plants. Organic fertilisers include plant-based compost or animal waste and by-products. In the context of this Prospectus, it refers to plant-based by-products such as oil palm empty fruit bunches and sugarcane pulp composts  |

**GLOSSARY OF TECHNICAL TERMS (CONT'D)**


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|                          |   |   |
|--------------------------|---|---|
| P fertilisers            | : | P fertilisers refer to a type of fertiliser which contains the element phosphorous such as rock phosphate and diammonium phosphate (DAP)  |
| Physical mixing          | : | It refers to the mixing of 2 or more substances without causing a chemical reaction   |
| Plant conditions         | : | The condition of the plant which includes, among others, plant health and flowering, fruiting, growth and development stages of plants  |
| Plants                   | : | In the context of this Prospectus, it refers to terrestrial plant life from seedlings to matured trees, including crops   |
| Primary macronutrients   | : | They refer to nitrogenous (N), phosphorous (P) and potassium (P) that are required in relatively large quantities compared to secondary macronutrients and micronutrients   |
| Secondary macronutrients | : | They refer to calcium (Ca), magnesium (Mg) and sulphur (S) that are required in relatively large quantities but less than primary macronutrients and more than micronutrients   |
| Semi-organic fertilisers | : | Fertiliser comprising organic and inorganic materials. In the context of this Prospectus, it refers to approximately 20% organic matter and 80% inorganic materials   |
| Specialty fertilisers    | : | In the context of this Prospectus, they refer to fertilisers that contain organic fertilisers either on their own or combined with inorganic fertilisers. It also includes liquid fertilisers   |
| Standard formulation     | : | In the context of this Prospectus, it refers to a certain range of fertilisers based on certain fixed formulas which are manufactured to stock and customers can purchase the fertilisers as-is without any alteration to the formulation |
| Straight fertilisers     | : | In the context of this Prospectus, it refers to inorganic fertilisers comprising any one of the primary macronutrients, nitrogen (N), phosphorous (P) and potassium (K)   |
| Trading Segment          | : | In the context of this Prospectus, it refers to the trading of straight fertilisers and related products  |

*[The rest of this page has been intentionally left blank]*

**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

| <b>Name (Gender)</b>                  | <b>Designation</b>                 | <b>Nationality</b> | <b>Address</b>   |
|---------------------------------------|------------------------------------|--------------------|--|
| Lau Yoon Kwai (M)                     | Independent Non-Executive Chairman | Malaysian          | B-11-1, Flora Green Condominium, Bandar Sg. Long, 43000 Kajang, Selangor |
| Lee Chin Yok (M)                      | Managing Director                  | Malaysian          | 21, Jalan Sri Banang 9/KS2, Taman Andalas Jaya, 41200 Klang, Selangor    |
| Lee Cheng Seng (M)                    | Non-Independent Executive Director | Malaysian          | 19, Jalan Sri Banang 9/KS2, Taman Andalas Jaya, 41200 Klang, Selangor    |
| Lee Cheng Fei (M)                     | Non-Independent Executive Director | Malaysian          | 21, Jalan Sri Banang 9/KS2, Taman Andalas Jaya, 41200 Klang, Selangor    |
| Tengku Faradiza Tengku Baharuddin (F) | Independent Non-Executive Director | Malaysian          | 473 Jalan B10, Taman Melawati, 53100 Kuala Lumpur                        |
| Chin Chew Lo (M)                      | Independent Non-Executive Director | Malaysian          | No. 52, Jalan Bayu Laut 12, Laman Kehijauan 41200 Klang, Selangor        |
| Yeo Shu Pin (F)                       | Independent Non-Executive Director | Malaysian          | 31, Lorong Penghulu Kassim 1A Taman Sri Mewah, 41000 Klang, Selangor     |

**Notes:***M = Male**F = Female**[The rest of this page has been intentionally left blank]*

**1. CORPORATE DIRECTORY (CONT'D)****AUDIT AND RISK MANAGEMENT COMMITTEE**

| <b>Name</b>                       | <b>Designation</b> | <b>Directorship</b>                |
|-----------------------------------|--------------------|------------------------------------|
| Chin Chew Lo                      | Chairperson        | Independent Non-Executive Director |
| Yeo Shu Pin                       | Member             | Independent Non-Executive Director |
| Tengku Faradiza Tengku Baharuddin | Member             | Independent Non-Executive Director |

**REMUNERATION COMMITTEE**

| <b>Name</b>                       | <b>Designation</b> | <b>Directorship</b>                |
|-----------------------------------|--------------------|------------------------------------|
| Tengku Faradiza Tengku Baharuddin | Chairperson        | Independent Non-Executive Director |
| Chin Chew Lo                      | Member             | Independent Non-Executive Director |
| Yeo Shu Pin                       | Member             | Independent Non-Executive Director |

**NOMINATING COMMITTEE**

| <b>Name</b>                       | <b>Designation</b> | <b>Directorship</b>                |
|-----------------------------------|--------------------|------------------------------------|
| Yeo Shu Pin                       | Chairperson        | Independent Non-Executive Director |
| Tengku Faradiza Tengku Baharuddin | Member             | Independent Non-Executive Director |
| Chin Chew Lo                      | Member             | Independent Non-Executive Director |

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**1. CORPORATE DIRECTORY (CONT'D)**

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**COMPANY SECRETARY** : Foo Siew Loon (MAICSA 7006874)  
SSM Practicing Certificate No.: 202008002104  
  
Unit 27.2, Menara 1MK  
Kompleks 1 Mont Kiara  
No.1, Jalan Kiara, Mont Kiara  
50480 Kuala Lumpur  
Malaysia  
  
Tel. No. : (603) 6203 5828  
Fax. No.: (603) 6203 2788

**REGISTERED OFFICE** : Unit 27.2, Menara 1MK  
Kompleks 1 Mont Kiara  
No.1, Jalan Kiara, Mont Kiara  
50480 Kuala Lumpur  
Malaysia  
  
Tel. No. : (603) 6203 5828  
Fax. No.: (603) 6203 2788

**HEAD OFFICE** : Lot 8949, Jalan Telok Gong KS/10  
Kampung Nelayan, Telok Gong  
42000 Pelabuhan Klang  
Selangor Darul Ehsan  
Malaysia  
  
Tel. No. : (603) 3134 1216  
Email: [info@cropmate.com.my](mailto:info@cropmate.com.my)  
Website: [www.cropmate.com.my](http://www.cropmate.com.my)

**PRINCIPAL ADVISER,  
SPONSOR, UNDERWRITER AND  
BOOKRUNNER** : **Hong Leong Investment Bank Berhad**  
Level 28, Menara Hong Leong  
No. 6, Jalan Damanlela, Bukit Damansara  
50490 Kuala Lumpur  
Malaysia  
  
Tel. No. : (603) 2083 1800  
Fax. No.: (603) 2083 1761

**1. CORPORATE DIRECTORY (CONT'D)**

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**AUDITORS AND REPORTING ACCOUNTANTS** : **Kreston John & Gan**  
 Firm No. AF 0113  
 Unit B-10-8, Megan Avenue II  
 Jalan Yap Kwan Seng  
 50450 Kuala Lumpur  
 Malaysia

Tel. No. : (603) 2381 2828

Partner-in-charge : Yong Chung Sin  
 Approval No. : 02892/04/2026 J  
 Professional qualification : Chartered Accountant  
 Malaysian Institute of Accountants  
 (Membership No.: 15273)

**LEGAL ADVISERS** : **Wong Beh & Toh**  
 Peti #30, Level 19, West Block  
 Wisma Golden Eagle Realty  
 142-C Jalan Ampang  
 50450 Kuala Lumpur  
 Malaysia

Tel. No. : (603) 2713 6050  
 Fax. No.: (603) 2713 6052

**INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : **Vital Factor Consulting Sdn Bhd**  
 V Square @ PJ City Centre (VSQ)  
 Block 6, Level 6, Jalan Utara  
 46200 Petaling Jaya  
 Selangor Darul Ehsan  
 Malaysia

Tel. No.: (603) 7931 3188  
 Fax No.: (603) 7931 2188

Partner-in-charge : Wooi Tan  
 Professional qualification : Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia, Bachelor of Science from The University of New South Wales, Australia and a Fellow of the Australia Marketing Institute, and Institute of Managers and Leaders, Australia (formerly known as the Australian Institute of Management)

**1. CORPORATE DIRECTORY (CONT'D)**

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|  |   |  |
|--|---|--|
| <b>INDEPENDENT PROPERTY VALUER</b>       | : | <b>Azmi &amp; Co (Shah Alam) Sdn Bhd</b><br>No. 8, 3 <sup>rd</sup> Floor<br>Jalan Tengku AmpuanZabedah D 9/D<br>40100 Shah Alam<br>Selangor Darul Ehsan<br>Malaysia<br><br>Tel. No.: (603) 5510 1900<br>Fax No.: (603) 5510 2900<br><br>Valuer-in-charge : Sr Nagalingam A/L Thandavan<br>Professional : Registered Valuer, Board of<br>qualification : Valuers, Appraisers, Estate<br>Agents and Property Managers<br>(Membership no.: V0461) |
| <b>ISSUING HOUSE AND SHARE REGISTRAR</b> | : | <b>Tricor Investor &amp; Issuing House Services Sdn Bhd</b><br>Unit 32-01, Level 32<br>Tower A, Vertical Business Suite<br>Avenue 3, Bangsar South<br>No. 8, Jalan Kerinchi<br>59200 Kuala Lumpur<br><br>Tel No.: (603) 2783 9299<br>Fax No.: (603) 2783 9222  |
| <b>LISTING SOUGHT</b>                    | : | ACE Market   |
| <b>SHARIAH STATUS</b>                    | : | Approved by the SAC  |

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## 2. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL OF THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER TO INVEST IN OUR SHARES.

### 2.1 PRINCIPAL DETAILS OF OUR IPO

Subject to the terms and conditions of this Prospectus, our Public Issue of 210,000,000 IPO Shares and Offer for Sale of 50,000,000 IPO Shares shall be allocated and allotted in the following manner:

|  |   | <b>No. of Shares</b> | <b>(1)%</b> |
|--|---|----------------------|-------------|
| <b>Institutional Offering:</b>                           | - Bumiputera investors approved by MITI           | 92,250,000           | 12.5        |
|  | - Other institutional and selected investors      | 116,090,000          | 15.7        |
| <b>Retail Offering:</b>                                  | - Eligible Persons (via Pink Form Allocation)     | 14,760,000           | 2.0         |
|  | - Malaysian Public (via balloting) <sup>(2)</sup> | 36,900,000           | 5.0         |
| <b>Total</b>   |   | <b>260,000,000</b>   | <b>35.2</b> |
| <b>Retail Price:</b>                                     |   | <b>RM0.20</b>        |             |
| <b>Market capitalisation upon Listing<sup>(3)</sup>:</b> |   | <b>RM147,600,000</b> |             |

#### Notes:


- (1) Based on the enlarged number of 738,000,000 Shares after our IPO.
- (2) Including 18,450,000 IPO Shares made available to Bumiputera public investors.
- (3) Calculated based on Retail Price and enlarged number of 738,000,000 Shares upon Listing.

Please refer to **Section 4** of this Prospectus for further details of our IPO. The entire shareholdings of our Specified Shareholders and Voluntary Shareholders after our IPO will be held under moratorium for 6 months from the date of our Listing. Thereafter, our Specified Shareholder's shareholdings amounting to 45.0% of our issued Shares will remain under moratorium for another 6 months and they may sell, transfer or assign up to a maximum of 1/3 per annum of the Shares held under moratorium upon expiry of the second 6 months period. Further details of the moratorium on our Shares are set out in **Section 3.2** of this Prospectus.

### 2.2 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 11 September 2023 as a public limited company under its present name.

We are principally an investment holding company and through our Subsidiary, we are principally involved in the formulation and blending of conventional and specialty fertilisers as well as trading of straight fertilisers and related products. Our operations are located at Factory Lot 8949 and Factory Lot 8950 in Klang, Selangor. Our business model for the Financial Periods Under Review is depicted as follows:

| Business activities and revenue streams   | Application of fertilisers   | Markets and operations   | Distribution channels and customer base  |
|---|--|--|--|
| <b>Fertilisers</b>  | <b>Target applications</b>   | <b>Main market and operational facility</b>  | <b>Main channel - direct</b>   |
| <b>Formulation and blending</b> <ul style="list-style-type: none"> <li>• Conventional fertilisers</li> <li>• Specialty fertilisers</li> </ul> | <ul style="list-style-type: none"> <li>Oil palm and rubber plantations <sup>(2)</sup></li> </ul> |  <p style="text-align: center;">Malaysia <sup>(4)</sup></p> <p style="text-align: center;">Our production facility</p> | <ul style="list-style-type: none"> <li>Plantation/orchard owners and/or operators</li> </ul>                       |
| <b>Trading</b> <ul style="list-style-type: none"> <li>• Straight fertilisers</li> <li>• Others <sup>(1)</sup></li> </ul>                      | <ul style="list-style-type: none"> <li>Orchards <sup>(3)</sup></li> </ul>                        | <b>Other markets</b> <ul style="list-style-type: none"> <li>• Cambodia</li> <li>• Sri Lanka</li> <li>• Singapore</li> <li>• Papua New Guinea</li> </ul>  | <b>Complementary channel - indirect</b> <ul style="list-style-type: none"> <li>• Traders <sup>(5)</sup></li> </ul> |

## 2. PROSPECTUS SUMMARY (CONT'D)

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### Notes:

- (1) *Include MgO, micronutrients, organic matter and externally sourced organic fertiliser.*
- (2) *Mainly for oil palm plantations.*
- (3) *Mainly for durian orchards.*
- (4) *Our main market is Malaysia. Revenue from Malaysia accounted for 99.3%, 99.1% and 99.3% and 99.1% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. Please refer to **Section 7.1.3.3** of this Prospectus for further details.*
- (5) *Refers to intermediaries who would resell our products in their original form to their customers including end-users, which may also include plantation/orchard owners and/or operators.*

Further details of our business activities are set out in **Section 7.1.3** of this Prospectus.

### 2.3 OUR COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

**(i) We offer both conventional and specialty fertilisers for product diversity to cater to the different requirements of our customers**

We offer both conventional and specialty fertilisers to cater to the different requirements of our customers which allows us to serve a wider customer base for business growth. Our conventional fertilisers are mainly targeted at plantations such as oil palm plantations, while our specialty fertilisers are targeted at both orchards and plantations such as durian orchards and oil palm plantations.

**(ii) We have wide market coverage in Malaysia with two different distribution channels**

Malaysia is one of the world's major palm oil producers and this would continue to provide us with growth opportunities to serve this sector of the market, which is our main user industry. Our direct distribution channel enables us to build customer loyalty by understanding and meeting their planting needs and obtaining feedback for our product improvement. Our indirect distribution channel enables us to use the existing network of intermediaries to reach a wider number of end-users without expanding our in-house sales personnel and logistic infrastructure.

**(iii) Our product range caters to the various stages of plant development from nursery stage up to maturity stage to meet the requirements of our customers**

We have 18 and 14 standard formulations of conventional and specialty fertilisers respectively to meet the nutrient requirements of the plant covering nursery, flowering and maturity stages. In addition, we provide customised formulation based on customers' requirements for the specific stages of plant development.

**(iv) We have in-house technical expertise to develop formulations to meet various requirements of our customers and target markets**

We have in-house expertise to formulate fertilisers based on results from foliar and soil analysis which identify the disease or nutrient deficiencies of the plant. Our ability to develop the formulas of our fertilisers allows us to offer a range of fertilisers that are suitable for our target markets such as oil palm plantations and durian orchards to sustain and grow our business.

## 2. PROSPECTUS SUMMARY (CONT'D)

(v) **We market and sell the majority of our fertilisers under our brands which enables us to build brand loyalty and market visibility**

We market and sell our products using our brands “Cropmate-Dua Daun” and “Cropmate-Kincir Angin”, and sub-brand “CM Miracle”. Since 2018, our brands have made inroads into the market.

(vi) **We have a large customer base from diversified sectors to reduce customer and sector dependency**

We serve customers from diversified sectors including end-users of our fertilisers such as plantation/orchard owners and/or operators, fertiliser manufacturers as well as intermediaries namely traders. Serving customers from diversified sectors enables us to expand our market reach to a wider customer base.

(vii) **We have experienced directors and management team to grow our business**

Our Group Managing Director, Lee Chin Yok has over 40 years of experience in the fertiliser industry, while both our Executive Directors namely Lee Cheng Seng and Lee Cheng Fei bring with them 16 and 6 years of experience respectively in the fertiliser industry. They are supported by our Key Senior Management which include our Sales and Technical Director, Leong Fo Seong, who has over 38 years of experience in the plantation and fertiliser industries.

Please refer to **Section 7.3** of this Prospectus for further details of our competitive strengths.

## 2.4 BUSINESS STRATEGIES AND PLANS

Moving forward, we will continue to focus on our existing business activities comprising formulation and blending of conventional and specialty fertilisers, and trading of straight fertilisers and related products.

In addition, we have in place strategies and plans to sustain and grow our business including the following:



Please refer to **Section 7.16** of this Prospectus for further details of our business strategies and plans.

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance. The following are some of the key risks and investment considerations that we are currently facing or that may develop in the future:

**(i) Our business and financial performance may be subjected to unfavourable price fluctuations of key input materials where a sustained high price may affect demand of our fertilisers**

Our key input materials for our fertilisers that represent our highest purchases of input materials are macronutrients particularly N, P and K fertilisers. Purchases of N, P and K fertilisers collectively accounted for 89.2%, 92.1%, 89.4% and 87.5% of our total purchases of input materials for FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. N, P and K fertilisers in their respective processed forms are traded globally. As such, purchases of these input materials are affected by global prices. Any sustained price increases of our input materials may affect our financial performance if we are unable to pass the increased cost to our customers, or if we were to pass the increased cost, our customers may purchase lower volumes or delay the purchase of our products.

**(ii) Our business is dependent on the performance of our main user industries mainly oil palm plantation and the performance of our trader customer group who are our intermediaries**

Our conventional fertilisers are targeted mainly at plantations including oil palm plantations. In this respect, we are subject to the risk of the performance of the oil palm industry which is subject to factors such as prices of crude palm oil and adverse weather conditions that may impact purchases of fertilisers. Additionally, in 2019, the government enforced a cap on the total oil palm cultivated area in Malaysia to 6.5 million ha by 2023 (*Source: IMR Report*), which may affect the continuing growth in demand for fertilisers which may impact our business growth.

In addition, our business is dependent on the performance of the overall trader customer group, and there can be no assurance that we will continue to retain all or the majority of our customers within the trader customer group, or maintain or increase the level of sales that we have with them. In this respect, we are subject to the risk associated with the performance of the oil palm industry and the performance of our traders, as it may affect the demand for our products.

**(iii) Our operations are reliant on certain approvals, licenses, permits and certificates**

In the event we are unable to comply with the conditions and restrictions that are imposed by the relevant governing authorities, the approvals, licenses, permits and certificates required for our operations and business may be revoked, suspended or not renewed. Notwithstanding that our Group is taking steps to submit the applications for such approvals, licences, permits and certificates, there can be no assurance that future applications by our Group for renewals of approvals, license, permits and certificates will be approved, particularly when there are changes to the present rules, regulations, policies and guidelines by the government or regulatory bodies.

**(iv) Our input materials include minerals and chemicals which pose operational and occupational hazards and risks**

Our business operations involve the use of minerals and chemicals such as urea, other petrochemical-based materials. Some of these materials may potentially be subjected to fire, explosion or emission of hazardous dust or fumes. Our business operations also expose our employees to potential hazards. As such, we risk disruptions to our operations in the event of any adverse incidents or accidents. Any workplace accidents and general deterioration in our workers' health may lead to significant liabilities, legal suits by workers, damage to our reputation, stop work actions by regulators, penalties imposed by regulators, and additional capital and operational expenditure to improve facilities and working conditions.

## 2. PROSPECTUS SUMMARY (CONT'D)

(v) **Our business operations are dependent on our Executive Directors and Key Senior Management**

Our business operations are dependent on the experience, knowledge and skills of our Executive Directors and Key Senior Management. The loss of services from any of them without any suitable and timely replacement may adversely affect our business operations and financial performance.

(vi) **Our financial performance may be subjected to unfavourable foreign exchange and interest rates fluctuations**

We are exposed to foreign exchange fluctuations including USD mainly arising from our purchases of macronutrients. For FYE 2021, FYE 2022, FYE 2023 and FPE 2024, 41.3%, 47.3%, 44.2% and 29.5% of our total purchases were transacted in foreign currencies mainly in USD. As at the LPD, we have entered into a foreign currency forward hedging contract to hedge against foreign currency movements for USD. Nevertheless, here is no assurance that our financial performance would not be materially affected by any adverse movements in USD against the RM. In addition, we are exposed to interest rate risk. All our borrowings are interest-bearing obligations. Any hikes in interest rates would affect our financial performance.

(vii) **We may not be able to effectively execute some of our business strategies and plans**

Our business strategies and plans are focused on leveraging our key strengths in the formulation and blending of conventional and specialty fertilisers. Our strategies and plans include automating the weighing process, setting up R&D and test laboratory, purchasing equipment and vehicles as well as acquiring our existing factories to further support and improve our business operations. There can be no assurance that we will be successful in executing our business strategies and plans within our planned time frame nor can we provide the assurance that we will be able to anticipate and minimise or mitigate all the business, financial and operational risks arising from implementing our business strategies and plans.

(viii) **We may not have adequate insurance coverage**

We may be exposed to liabilities and losses resulting from among others, environmental factors, operational hazards and occupational risks where we may not have adequate insurance to cover all the risks associated with our business operations. There is no assurance that any losses or damages over our insured limits or in areas where we are not insured or fully insured may adversely affect our financial conditions.

(ix) **Our business operations and financial performance may be affected by a prolonged or resurgence of the COVID-19 pandemic or emergency of other epidemics or pandemics**

Our business operations were impacted by the containment measures implemented during the COVID-19 pandemic period. Moving forward, if there is any tightening of restrictions in the future that may lead to the closure of our operations again, there can be no assurance that our business will not be materially affected.

Please refer to **Section 9** of this Prospectus for further details and the full list of risk factors which should be considered before investing in our Shares.

### 2.6 MATERIAL INTERRUPTIONS TO THE BUSINESS

We did not experience any material interruptions to our business during the past 12 months of our operations before the LPD. Please refer to **Section 9.1.9** of the Prospectus for further details on the interruption to our business operations during the COVID-19 period.



## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and/or Substantial Shareholders and their respective shareholdings in our Company before our IPO (after completion of the Pre-IPO Exercise) and after our IPO are as follows:

| Name  | Nationality | Before our IPO |      |               |         | After our IPO |      |               |         |
|---|-------------|----------------|------|---------------|---------|---------------|------|---------------|---------|
|   |             | Direct         |      | Indirect      |         | Direct        |      | Indirect      |         |
|   |             | No. of Shares  | (1)% | No. of Shares | (1)%    | No. of Shares | (2)% | No. of Shares | (2)%    |
| <b>Promoters and Substantial Shareholders</b> |             |                |      |               |         |               |      |               |         |
| Lee Chin Yok                                  | Malaysian   | 237,600,000    | 45.0 | 211,200,000   | (3)40.0 | 215,100,000   | 29.1 | 191,200,000   | (3)26.0 |
| Lee Cheng Seng                                | Malaysian   | 105,600,000    | 20.0 | -             | -       | 95,600,000    | 13.0 | -             | -       |
| Lee Cheng Fei                                 | Malaysian   | 105,600,000    | 20.0 | -             | -       | 95,600,000    | 13.0 | -             | -       |
| <b>Substantial Shareholders</b>               |             |                |      |               |         |               |      |               |         |
| Lau Sam Siong                                 | Malaysian   | 52,800,000     | 10.0 | -             | -       | 47,800,000    | 6.5  | -             | -       |
| Datuk Tan Chew Chin <sup>(4)</sup>            | Malaysian   | 26,400,000     | 5.0  | -             | -       | 23,900,000    | 3.2  | -             | -       |

**Notes:**

- (1) Based on the total number of 528,000,000 Shares after the completion of the Pre-IPO Exercise.
- (2) Based on the enlarged number of 738,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of the shares held by his sons, Lee Cheng Seng and Lee Cheng Fei pursuant to Section 8 of the Act.
- (4) Datuk Tan Chew Chin will cease to be a substantial shareholder after our IPO.

Further details on our Promoters and Substantial Shareholders are disclosed in **Section 5.1** of this Prospectus.

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.8 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and Key Senior Management are as follows:

| <b>Name</b>                             | <b>Designation</b>                 |
|---|------------------------------------|
| <b><u>Directors</u></b>                 |                                    |
| Lau Yoon Kwai                           | Independent Non-Executive Chairman |
| Lee Chin Yok                            | Managing Director                  |
| Lee Cheng Seng                          | Non-Independent Executive Director |
| Lee Cheng Fei                           | Non-Independent Executive Director |
| Tengku Faradiza Binti Tengku Baharuddin | Independent Non-Executive Director |
| Chin Chew Lo                            | Independent Non-Executive Director |
| Yeo Shu Pin                             | Independent Non-Executive Director |
| <b><u>Key Senior Management</u></b>     |                                    |
| Lee Chin Yok                            | Managing Director                  |
| Lee Cheng Seng                          | Non-Independent Executive Director |
| Lee Cheng Fei                           | Non-Independent Executive Director |
| Leong Fo Seong                          | Sales and Technical Director       |
| Ian Siah Jun Ren                        | Financial Controller               |
| Lim Kee Choy                            | Regional Head of Sales             |
| Teow Kooi Thong                         | Factory Manager                    |

Please refer to **Section 5** of this Prospectus for further details on our Directors and Key Senior Management.

### 2.9 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue of approximately RM42.0 million in the following manner:

| <b>Details</b>   | <b>RM'000</b> | <b>%</b>     | <b>Estimated time frame for use of proceeds from the date of the Listing</b> |
|--|---------------|--------------|--|
| Working capital  | 17,135        | 40.8         | Within 12 months   |
| To part finance the purchase considerations of Factory Lot 8949 and Factory Lot 8950 | 16,695        | 39.8         | Within 12 months   |
| Capital expenditure  | 3,170         | 7.5          | Within 18 months   |
| Estimated listing expenses   | 5,000         | 11.9         | Within 2 months  |
| <b>Total</b>   | <b>42,000</b> | <b>100.0</b> |  |

The gross proceeds of up to RM10.0 million from the Offer for Sale will accrue entirely to our Offerors. Our Offerors will be bearing the entire incidental expenses and fees relating to the Offer for Sale.

Please refer to **Section 4.6** of this Prospectus for further details on our use of proceeds from the Public Issue.

## 2. PROSPECTUS SUMMARY (CONT'D)

### 2.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The key financial highlights based on our historical financial information of the combined financial statements of our Company for the Financial Periods Under Review are set out below:

#### Combined statements of profit or loss and other comprehensive income

|                               | <-----Audited-----> |          |          | Unaudited | Audited  |
|-------------------------------|---------------------|----------|----------|-----------|----------|
|                               | FYE 2021            | FYE 2022 | FYE 2023 | FPE 2023  | FPE 2024 |
|                               | RM'000              | RM'000   | RM'000   | RM'000    | RM'000   |
| Revenue                       | 108,779             | 188,296  | 151,547  | 73,193    | 67,311   |
| GP                            | 20,400              | 33,742   | 27,610   | 14,048    | 13,015   |
| Other income                  | 173                 | 1,090    | 327      | 189       | 76       |
| PBT                           | 10,774              | 19,267   | 13,384   | 7,099     | 7,350    |
| PAT                           | 7,625               | 14,616   | 10,054   | 5,395     | 5,578    |
|                               |                     |          |          |           |          |
| ASP (RM / tonne)              | 1,160               | 1,967    | 1,677    | 1,832     | 1,389    |
| Sales volume (tonne)          | 93,760              | 95,750   | 90,350   | 39,961    | 48,446   |
|                               |                     |          |          |           |          |
| GP margin <sup>(1)</sup> (%)  | 18.8                | 17.9     | 18.2     | 19.2      | 19.3     |
| PBT margin <sup>(2)</sup> (%) | 9.9                 | 10.2     | 8.8      | 9.7       | 10.9     |
| PAT margin <sup>(3)</sup> (%) | 7.0                 | 7.8      | 6.6      | 7.4       | 8.3      |

#### **Notes:**

- (1) Computed based on GP divided by revenue.  
(2) Computed based on PBT divided by revenue.  
(3) Computed based on PAT divided by revenue.

#### Combined statements of financial position

|                               | <----- Audited ----->           |               |               |               |
|-------------------------------|---------------------------------|---------------|---------------|---------------|
|                               | <----- As at 31 December -----> |               |               | As at 31 May  |
|                               | 2021                            | 2022          | 2023          | 2024          |
|                               | RM'000                          | RM'000        | RM'000        | RM'000        |
| Total non-current assets      | 23,006                          | 28,980        | 18,195        | 17,856        |
| Total current assets          | 38,313                          | 58,710        | 62,753        | 63,941        |
| <b>Total assets</b>           | <b>61,319</b>                   | <b>87,690</b> | <b>80,948</b> | <b>81,797</b> |
|                               |                                 |               |               |               |
| Total non-current liabilities | 17,165                          | 20,297        | 20,008        | 19,579        |
| Total current liabilities     | 27,753                          | 36,377        | 23,870        | 23,570        |
| <b>Total liabilities</b>      | <b>44,918</b>                   | <b>56,674</b> | <b>43,878</b> | <b>43,149</b> |
|                               |                                 |               |               |               |
| <b>Total equity/ NA</b>       | <b>16,401</b>                   | <b>31,016</b> | <b>37,070</b> | <b>38,648</b> |

**2. PROSPECTUS SUMMARY (CONT'D)**

|   | <----- Audited ----->           |        |        |              |
|---|---------------------------------|--------|--------|--------------|
|   | <----- As at 31 December -----> |        |        | As at 31 May |
|   | 2021                            | 2022   | 2023   | 2024         |
|   | RM'000                          | RM'000 | RM'000 | RM'000       |
| Total borrowings <sup>(1)</sup> (RM'000)      | 25,995                          | 39,885 | 33,171 | 23,859       |
| Total bank borrowings <sup>(2)</sup> (RM'000) | 25,412                          | 39,004 | 33,040 | 23,859       |
| Gearing ratio <sup>(3)</sup> (times)          | 1.5                             | 1.3    | 0.9    | 0.6          |
| Net borrowings <sup>(4)</sup> (RM'000)        | 19,166                          | 29,648 | 25,033 | 19,380       |
| Net gearing ratio <sup>(5)</sup> (times)      | 1.2                             | 1.0    | 0.7    | 0.5          |
| Current ratio <sup>(6)</sup> (times)          | 1.4                             | 1.6    | 2.6    | 2.9          |

**Notes:**

- (1) Computed based on total borrowings, including lease liabilities under the hire purchase contracts and factory rental.
- (2) Computed based on total bank borrowings, including lease liabilities under the hire purchase contracts.
- (3) Computed based on total bank borrowings divided by total equity.
- (4) Computed based on total bank borrowings less (i) cash and bank balances; and (ii) short term deposit.
- (5) Computed based on net borrowings divided by total equity.
- (6) Computed based on current assets divided by current liabilities.

Further details of the financial information relating to our Group are set out in **Sections 12 and 13** of this Prospectus.

**Operational highlights**

Our Group is primarily involved in the formulation and blending of conventional and specialty fertilisers as well as the trading of straight fertilisers and related products. As at the LPD, we have developed 18 and 14 standard formulations for conventional and specialty fertilisers respectively. In addition, we have developed customised formulas based on customers' requirements taking into consideration soil, environmental and/or plant conditions. We operate from our head office and production facility in Telok Gong, Klang, Selangor.

**2.11 DIVIDEND POLICY**

It is the intention of our Board to recommend and distribute a dividend of at least 30.0% of our audited PAT of each financial year on a consolidated basis after taking into consideration anticipated future operating conditions, operating cash flow requirements, financing commitments, subject to any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

## 2. PROSPECTUS SUMMARY (CONT'D)

The dividends declared and paid by our Group for the Financial Periods Under Review are as follows:

|                                      | <u>FYE 2021</u> | <u>FYE 2022</u> | <u>FYE 2023</u>      | <u>FPE 2024</u>      |
|--------------------------------------|-----------------|-----------------|----------------------|----------------------|
|                                      | <u>RM'000</u>   | <u>RM'000</u>   | <u>RM'000</u>        | <u>RM'000</u>        |
| Dividends declared                   | -               | -               | <sup>(1)</sup> 4,000 | <sup>(2)</sup> 4,000 |
| Dividends paid                       | -               | -               | 4,000                | 4,000                |
| PAT                                  | 7,625           | 14,616          | 10,054               | 5,578                |
| Dividend payout ratio <sup>(3)</sup> | -               | -               | 39.8%                | 71.7%                |

**Notes:**

- (1) *Being dividend in respect of FYE 2022 declared on 3 April 2023.*
- (2) *Being dividend in respect of FYE 2023 declared on 23 February 2024.*
- (3) *Computed based on dividends paid divided by PAT during the financial periods.*

Prior to our Listing, we have declared a dividend of RM4.0 million in respect of the FYE 2023 and paid on 4 March 2024 via internally generated funds.

Our Company has no intention to declare any further dividends up to the completion of the Listing.

Further details of our dividend policy are set out in **Section 12.8** of this Prospectus.

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### 3. APPROVALS AND CONDITIONS

#### 3.1 APPROVALS AND CONDITIONS

##### 3.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 17 September 2024, approved our admission to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital comprising 738,000,000 Shares on the ACE Market of Bursa Securities, subject to the following conditions:

| <b>No.</b> | <b>Details of conditions imposed</b>  | <b>Status of compliance</b> |
|------------|---|-----------------------------|
| (i)        | Submit the following information in respect of the moratorium on the shareholdings of the specified shareholders to Bursa Depository:<br>(a) Name of shareholders;<br>(b) Number of shares; and<br>(c) Date of expiry of the moratorium for each block of shares.   | Complied                    |
| (ii)       | Confirmation that approvals from other relevant authorities have been obtained for implementation of the listing proposal;  | Complied                    |
| (iii)      | The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;   | Complied                    |
| (iv)       | Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of Listing Requirements;   | To be complied              |
| (v)        | Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Cropmate on the first day of listing;  | To be complied              |
| (vi)       | In relation to the public offering to be undertaken by Cropmate, to announce at least 2 market days prior to the listing date, the result of the offering including the following:<br>(a) Level of subscription of public balloting and placement;<br>(b) Basis of allotment /allocation;<br>(c) A table showing the distribution for placement tranche as per the format by Bursa Securities; and<br>(d) Disclosure of placees who become substantial shareholders of Cropmate arising from the public offering, if any. | To be complied              |
|            | HLIB to ensure that the overall distribution of Cropmate's securities is properly carried out to mitigate any disorderly trading in the secondary market; and   |                             |

### 3. APPROVALS AND CONDITIONS (CONT'D)

| No.   | Details of conditions imposed   | Status of compliance |
|-------|---|----------------------|
| (vii) | Cropmate/ HLIB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Cropmate to the Official List of the ACE Market. | To be complied       |

#### 3.1.2 SC

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 19 September 2024, approved the resultant equity structure of our Company under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to our Company allocating Shares equivalent to 12.50% of our enlarged number of issued Shares to Bumiputera investors to be approved by the MITI. In addition, our Company is to make available at least 50% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.

#### 3.1.3 SAC

The SAC had on 11 July 2024, classified our Shares as Shariah-compliant based on the Shariah criteria adopted by the SAC.

#### 3.1.4 MITI

MITI had, vide its letter dated 18 July 2024, taken note and has no objection to our Listing.

### 3.2 MORATORIUM ON OUR SHARES

Pursuant to Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders as follows:

- (i) the moratorium applies to our Specified Shareholders' entire shareholdings for a period of 6 months from the date of our admission to the Official List of Bursa Securities ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholding amounting to at least 45% of our total number of issued Shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (iii) upon the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third (1/3) per annum (on a straight-line basis) of their Shares held under moratorium.

### 3. APPROVALS AND CONDITIONS (CONT'D)

The details of our Shares held by our Specified Shareholders which will be held under moratorium are set out below:

| Specified Shareholders | Year 1                   |             |                           |             |                    |             |                    |             |
|------------------------|--------------------------|-------------|---------------------------|-------------|--------------------|-------------|--------------------|-------------|
|                        | First 6-Month Moratorium |             | Second 6-Month Moratorium |             | Year 2             |             | Year 3             |             |
|                        | No. of Shares            | (1)%        | No. of Shares             | (1)%        | No. of Shares      | (1)%        | No. of Shares      | (1)%        |
| Lee Chin Yok           | 215,100,000              | 29.1        | 175,817,648               | 23.8        | 117,211,766        | 15.8        | 58,605,882         | 8.0         |
| Lee Cheng Seng         | 95,600,000               | 13.0        | 78,141,176                | 10.6        | 52,094,117         | 7.1         | 26,047,059         | 3.5         |
| Lee Cheng Fei          | 95,600,000               | 13.0        | 78,141,176                | 10.6        | 52,094,117         | 7.1         | 26,047,059         | 3.5         |
| <b>Total</b>           | <b>406,300,000</b>       | <b>55.1</b> | <b>332,100,000</b>        | <b>45.0</b> | <b>221,400,000</b> | <b>30.0</b> | <b>110,700,000</b> | <b>15.0</b> |

**Note:**

(1) Based on the enlarged number of 738,000,000 Shares after our IPO.

Our Specified Shareholders have provided written undertakings to Bursa Securities that they will not sell, transfer or assign their respective Shares under moratorium during the moratorium period in accordance with Rule 3.19 of the Listing Requirements.

In addition to the above, Lau Sam Siong and Datuk Tan Chew Chin, the Voluntary Shareholders, have voluntarily provided written undertakings that they will not sell, transfer or assign their entire shareholdings in the Company during the First 6-Month Moratorium.

The details of our Shares held by the Voluntary Shareholders which will be held under moratorium are set out below:

| Voluntary Shareholders | First 6-Month Moratorium |            |
|------------------------|--------------------------|------------|
|                        | No. of Shares            | (1)%       |
| Lau Sam Siong          | 47,800,000               | 6.5        |
| Datuk Tan Chew Chin    | 23,900,000               | 3.2        |
| <b>Total</b>           | <b>71,700,000</b>        | <b>9.7</b> |

**Note:**

(1) Based on the enlarged number of 738,000,000 Shares after our IPO.

The above moratorium restrictions, which are fully acknowledged and accepted by our Specified Shareholders and Voluntary Shareholders, have been specifically endorsed on the share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes with the aforesaid restrictions. In compliance with the restrictions, Bursa Depository will, on our Share Registrar's instructions in the prescribed forms, ensure that the trading of these Shares is not permitted during the moratorium period.



## 4. DETAILS OF OUR IPO

### 4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative time and/or dates:

| Event  | Time / date                  |
|--|------------------------------|
| Opening of the Institutional Offering                                  | 15 November 2024             |
| Issuance of this Prospectus / Opening of the Retail Offering           | 10.00 a.m., 15 November 2024 |
| Closing of the Retail Offering   | 5.00 p.m., 22 November 2024  |
| Closing of the Institutional Offering                                  | 22 November 2024             |
| Price Determination Date   | 22 November 2024             |
| Balloting of applications for our IPO Shares under the Retail Offering | 27 November 2024             |
| Allotment / Transfer of our IPO Shares to successful applicants        | 4 December 2024              |
| Listing  | 5 December 2024              |

If there is any change to the indicative timetable above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and will make the relevant announcement through Bursa Securities.

### 4.2 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in **Section 4.2.5** of this Prospectus. Our IPO consists of the Institutional Offering and the Retail Offering for a total of 260,000,000 IPO Shares, representing approximately 35.2% of our enlarged issued Shares.

#### 4.2.1 Institutional Offering

*Institutional Offering at the Institutional Price is payable in full upon allocation and determined by way of bookbuilding.*

The Institutional Offering involves the offering of 208,340,000 IPO Shares, representing approximately 28.2% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in **Section 4.2.5** of this Prospectus, at the Institutional Price in the following manner:

- (i) 92,250,000 IPO Shares, representing approximately 12.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and
- (ii) 116,090,000 IPO Shares, representing approximately 15.7% of our enlarged issued Shares to institutional and selected investors (other than Bumiputera investors approved by the MITI).

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.2.2 Retail Offering

*Retail Offering at the Retail Price of RM0.20 per IPO Share, payable in full upon application. If the Final Retail Price is less than the Retail Price, the difference will be refunded to the investors.*

The Retail Offering involves the offering of 51,660,000 IPO Shares, representing approximately 7.0% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in **Section 4.2.5** of this Prospectus, at the Retail Price in the following manner:

**(i) Allocation via balloting to the Malaysian Public**

36,900,000 IPO Shares, representing 5.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public by way of balloting process, of which 50.0% shall be set aside for application by Bumiputera citizens, companies, societies, co-operatives and institutions ("**Bumiputera Public Investors**").

In the event of an under-subscription by Bumiputera Public Investors, our IPO Shares may be clawed back from Bumiputera Public Investors and allocated to other Malaysian Public. In the event of an under-subscription by other Malaysian Public, our IPO Shares may be clawed back from such other Malaysian Public and allocated to Bumiputera Public Investors. In the event of an undersubscription in the Malaysian Public, our IPO Shares may be clawed back from the Malaysian Public and allocated to the Institutional Offering.

**(ii) Allocation to Eligible Persons**

14,760,000 IPO Shares (being Pink Form Allocation), representing approximately 2.0% of our enlarged issued Shares, are reserved for application by the Eligible Persons in the following manner:

| <b>Eligible Persons</b>   | <b>No. of Eligible Persons</b> | <b>Aggregate no. of IPO Shares allocated</b> |
|---|--------------------------------|--|
| Eligible Directors <sup>(1)</sup>                                       | 4                              | 2,000,000                                    |
| Eligible employees <sup>(2)</sup>                                       | 27                             | 5,475,000                                    |
| Persons who have contributed to the success of our Group <sup>(3)</sup> | 209                            | 7,285,000                                    |
| <b>Total</b>  | <b>240</b>                     | <b>14,760,000</b>                            |

*[The rest of this page has been intentionally left blank]*

## 4. DETAILS OF OUR IPO (CONT'D)

**Notes:**

- (1) *The criteria of allocation to our eligible Directors is based on, amongst others, their respective roles, responsibilities and potential contribution to our Group in the future. The allocation of IPO Shares to our Directors is as follows:*

| <b>Name</b>                             | <b>Designation</b>                 | <b>No. of IPO Shares allocated</b> |
|---|------------------------------------|------------------------------------|
| Lau Yoon Kwai                           | Independent Non-Executive Chairman | 500,000                            |
| Tengku Faradiza Binti Tengku Baharuddin | Independent Non-Executive Director | 500,000                            |
| Chin Chew Lo                            | Independent Non-Executive Director | 500,000                            |
| Yeo Shu Pin                             | Independent Non-Executive Director | 500,000                            |
|   | <b>Total</b>                       | <b>2,000,000</b>                   |

- (2) *The criteria for allocation to the eligible employees (as approved by our Board) are based on the following factors:*

- (a) *the eligible employee must be a full-time confirmed employee of at least 18 years of age, on the payroll of our Group and who has not submitted his/her resignation as at the LPD; and*
- (b) *the number of IPO Shares allocated to the eligible employee is based on, amongst others, seniority within our Group, length of service, as well as past performance and potential contributions made to our Group.*

*The number of IPO Shares to be allocated to our Key Senior Management is as follows:*

| <b>Name</b>      | <b>Designation</b>           | <b>No. of IPO Shares allocated</b> |
|------------------|------------------------------|------------------------------------|
| Leong Fo Seong   | Sales and Technical Director | 350,000                            |
| Ian Siah Jun Ren | Financial Controller         | 850,000                            |
| Lim Kee Choy     | Regional Head of Sales       | 400,000                            |
| Teow Kooi Thong  | Factory Manager              | 375,000                            |
|                  | <b>Total</b>                 | <b>1,975,000</b>                   |

- (3) *The criteria for the allocation to persons who have contributed to the success of our Group is based on, amongst others, their length of business relationship with our Group, past contribution to our success and/or potential contribution to our Group in the future.*

**4. DETAILS OF OUR IPO (CONT'D)**

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As at the LPD, save as disclosed in **Section 4.2.2** of this Prospectus, to the extent known to our Company:

- (a) there are no Substantial Shareholders, Directors or Key Senior Management of our Company who intend to subscribe for our IPO Shares, save for our IPO Shares made available for application under the Pink Form Allocation; and
- (b) there are no persons who intend to subscribe for more than 5.0% of our IPO Shares.

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#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.2.3 Offerors

Our Offerors will offer 50,000,000 IPO Shares, representing approximately 9.5% of our existing total number of issued Shares after completion of the Pre-IPO Exercise or 6.8% of our enlarged number of issued Shares, at the Institutional Price as described in **Section 4.2.1** of this Prospectus. The details of our Offerors are as follows:

| Name                | Address  | Nature of relationship with our Group   | Before our IPO |      | Offer for Sale |      | After our IPO |      |
|---------------------|--|---|----------------|------|----------------|------|---------------|------|
|                     |  |   | No. of Shares  | (1)% | No. of Shares  | (2)% | No. of Shares | (2)% |
| Lee Chin Yok        | 21, Jalan Sri Banang 9/KS2, Taman Andalas Jaya, 41200 Klang, Selangor        | Promoter, Specified Shareholder, Substantial Shareholder and Managing Director  | 237,600,000    | 45.0 | 22,500,000     | 3.0  | 215,100,000   | 29.1 |
| Lee Cheng Seng      | 19, Jalan Sri Banang 9/KS2, Taman Andalas Jaya, 41200 Klang, Selangor        | Promoter, Specified Shareholder, Substantial Shareholder and Executive Director | 105,600,000    | 20.0 | 10,000,000     | 1.4  | 95,600,000    | 13.0 |
| Lee Cheng Fei       | 21, Jalan Sri Banang 9/KS2, Taman Andalas Jaya, 41200 Klang, Selangor        | Promoter, Specified Shareholder, Substantial Shareholder and Executive Director | 105,600,000    | 20.0 | 10,000,000     | 1.4  | 95,600,000    | 13.0 |
| Lau Sam Siong       | 15, Jalan Setia Nusantara U13/22F, Setia Eco Park 40170, Shah Alam, Selangor | Substantial Shareholder   | 52,800,000     | 10.0 | 5,000,000      | 0.7  | 47,800,000    | 6.5  |
| Datuk Tan Chew Chin | KS 114, Pekan 78200 Kuala Sungai Baru, Melaka                                | Substantial Shareholder   | 26,400,000     | 5.0  | 2,500,000      | 0.3  | 23,900,000    | 3.2  |

##### Notes:

- (1) Based on the total number of 528,000,000 Shares after completion of the Pre-IPO Exercise.
- (2) Based on the enlarged number of 738,000,000 Shares after our IPO.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.2.4 Underwriting and allocation of our IPO Shares

In summary, our IPO Shares will be allocated (subject to the clawback and reallocation provisions as set out in Section 4.2.5 of this Prospectus) in the following manner:

| Categories   | Public Issue       |                                | Offer for Sale    |                                | Total              |                                |
|--|--------------------|--------------------------------|-------------------|--------------------------------|--------------------|--------------------------------|
|  | No. of IPO Shares  | (1)% of enlarged share capital | No. of IPO Shares | (1)% of enlarged share capital | No. of IPO Shares  | (1)% of enlarged share capital |
| <b>Retail Offering</b>   |                    |                                |                   |                                |                    |                                |
| (i) Malaysian Public ( <i>via balloting</i> )  |                    |                                |                   |                                |                    |                                |
| - Bumiputera   | 18,450,000         | 2.5                            | -                 | -                              | 18,450,000         | 2.5                            |
| - Non-Bumiputera   | 18,450,000         | 2.5                            | -                 | -                              | 18,450,000         | 2.5                            |
| (ii) Eligible Persons  |                    |                                |                   |                                |                    |                                |
| - Eligible Directors   | 2,000,000          | 0.3                            | -                 | -                              | 2,000,000          | 0.3                            |
| - Eligible employees   | 5,475,000          | 0.7                            | -                 | -                              | 5,475,000          | 0.7                            |
| - Persons who have contributed to the success of our Group                                       | 7,285,000          | 1.0                            | -                 | -                              | 7,285,000          | 1.0                            |
| <b>Sub-total</b>   | <b>51,660,000</b>  | <b>7.0</b>                     | <b>-</b>          | <b>-</b>                       | <b>51,660,000</b>  | <b>7.0</b>                     |
| <b>Institutional Offering</b>  |                    |                                |                   |                                |                    |                                |
| (i) Bumiputera investors approved by the MITI  | 42,250,000         | 5.7                            | 50,000,000        | 6.8                            | 92,250,000         | 12.5                           |
| (ii) Institutional and selected investors (other than Bumiputera investors approved by the MITI) | 116,090,000        | 15.7                           | -                 | -                              | 116,090,000        | 15.7                           |
| <b>Sub-total</b>   | <b>158,340,000</b> | <b>21.4</b>                    | <b>50,000,000</b> | <b>6.8</b>                     | <b>208,340,000</b> | <b>28.2</b>                    |
| <b>Total</b>   | <b>210,000,000</b> | <b>28.4</b>                    | <b>50,000,000</b> | <b>6.8</b>                     | <b>260,000,000</b> | <b>35.2</b>                    |

#### 4. DETAILS OF OUR IPO (CONT'D)

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**Note:**

- (1) *Based on the enlarged number of 738,000,000 Shares after our IPO.*

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as approved by Bursa Securities as set out in **Section 4.2.6** of this Prospectus.

##### 4.2.5 Clawback and reallocation

The Institutional Offering and the Retail Offering will be subject to the following clawback and reallocation provisions:

- (i) any Excess Shares not taken up by the Eligible Persons under the Pink Form Allocation will be made available for application by the other Eligible Persons who have applied for Excess Shares in addition to their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:
- (a) firstly, allocation on a pro-rata basis to our eligible Directors and eligible employees who have applied for Excess Shares based on the number of Excess Shares applied for;
  - (b) secondly, allocation of any balance Excess Shares after (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Shares based on the number of Excess Shares applied for; and
  - (c) thirdly, to minimise odd lots.

Our Board reserves the right to allocate Excess Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated.

- (ii) subject to (i) above, if any of the Excess Shares allocated to the Eligible Persons are under-subscribed, such IPO Shares may be allocated to the institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Bookrunner and us;
- (iii) if our IPO Shares allocated to the Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares will:
  - (a) firstly, be allocated to Malaysian institutional investors under the Institutional Offering;
  - (b) secondly, be allocated to the Malaysian Public under the Retail Offering. Any allocation to the Malaysian Public will firstly be allocated to Bumiputera Public Investors under the Retail Offering via balloting process, and thereafter to the other Malaysian Public under the Retail Offering; and
  - (c) thereafter, any remaining shares from the MITI Tranche which are not subscribed will be made available to selected investors under the Institutional Offering;

#### 4. DETAILS OF OUR IPO (CONT'D)

- (iv) if any of our IPO Shares allocated under the Malaysian Public to Bumiputera Public Investors is under-subscribed, these IPO Shares may be clawed back from Bumiputera Public Investors to other Malaysian Public under the Retail Offering. Conversely, if any of our IPO Shares allocated under the Malaysian Public to non-Bumiputera investors is under-subscribed, these IPO Shares may be clawed back from the non-Bumiputera investors and allocated to Bumiputera Public Investors under the Malaysian Public;
- (v) subject to items (ii), (iii) and (iv) above, if there is an under-subscription under the Retail Offering and there is a corresponding over-subscription under the Institutional Offering, these IPO Shares will be clawed back from the Retail Offering and allocated to the Institutional Offering; and
- (vi) subject to items (ii), (iii) and (iv) above, if there is an over-subscription under the Retail Offering and there is a corresponding under-subscription under the Institutional Offering, these IPO Shares will be clawed back from the Institutional Offering and allocated to the Retail Offering.

Any IPO Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Underwriter based on the terms of the Underwriting Agreement.

There will be no clawback and reallocation under the following circumstances:

- (i) an over-subscription in both the Institutional Offering and Retail Offering;
- (ii) an under-subscription in both the Institutional Offering and Retail Offering;
- (iii) an under-subscription in the Institutional Offering and no over-subscription in the Retail Offering; or
- (iv) an under-subscription in the Retail Offering and no over-subscription in the Institutional Offering.

##### 4.2.6 Minimum subscription level

There is no minimum subscription in terms of proceeds to be raised from our IPO. All IPO Shares pursuant to **Section 4.2.2** of this Prospectus will be fully underwritten by our Underwriter pursuant to the salient terms of the Underwriting Agreement as set out in **Section 4.8** of this Prospectus.

In order to comply with the public spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders to comply with the public spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, a minimum of 25.0% of our Shares are required to be held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing.

In the event the above public shareholding spread requirements are not met, we may not be able to proceed with our Listing. Please refer to **Section 9.3.5** of this Prospectus for further details in the event there is a delay in or termination of our Listing.



#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.3 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

##### 4.3.1 Share capital

Upon the completion of our IPO, our share capital will be as follows:

|   | <b>No. of Shares</b> | <b>RM</b>                 |
|---|----------------------|---------------------------|
| Issued share capital after the completion of the Pre-IPO Exercise                         | 528,000,000          | 33,105,694                |
| To be issued pursuant to the Public Issue   | 210,000,000          | <sup>(1)</sup> 42,000,000 |
| Less: Estimated listing expenses directly attributable to the Public Issue <sup>(2)</sup> | -                    | (1,860,000)               |
| <b>Enlarged issued share capital upon Listing</b>   | <b>738,000,000</b>   | <b>73,245,694</b>         |
| <b>Retail Price</b>   | <b>-</b>             | <b>0.20</b>               |

**Notes:**

- (1) *Calculated based on the Retail Price multiplied by the number of new Shares to be issued under the Public Issue.*
- (2) *Being the estimated listing expenses directly attributable to the issuance of new Shares pursuant to the Public Issue and allowed to be debited against the share capital of our Company.*

##### 4.3.2 Classes of shares and ranking

As at the date of this Prospectus, we have only one class of shares, being ordinary shares in our Company.

Our Issue Shares, upon allotment and issuance, will rank equally in all respects with our existing issued Shares, including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of our IPO Shares, subject to any applicable Rules of Bursa Depository.

Our Offer Shares will rank equally in all respects with our existing issued Shares, including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the number of Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At any general meeting of our Company, each of our shareholder shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or other duly authorised representative shall have 1 vote for each Share held or represented. A proxy may but need not be a member of our Company.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

###### 4.4.1 Retail Price

Our Directors and our Promoters, together with HLIB, as our Principal Adviser, Sponsor, Underwriter and Bookrunner, have determined and agreed on the Retail Price of RM0.20 per IPO Share, after taking into consideration the following factors:

- (i) our pro forma combined NA per Share of approximately RM0.11 as at 31 May 2024 based on our enlarged number of 738,000,000 issued Shares upon Listing and subsequent to the use of proceeds raised from our Public Issue;
- (ii) our Group's EPS of approximately 1.36 sen based on our PAT of approximately RM10.1 million for FYE 2023 and our enlarged number of 738,000,000 issued Shares upon Listing, which translate into a price-to-earnings multiple of approximately 14.7 times;
- (iii) our operating history and financial performance as set out in **Sections 7.1** and **12.1** of this Prospectus, respectively. Our historical financial track record is as summarised below:

|              | <----- Audited -----> |          |          |          |
|--------------|-----------------------|----------|----------|----------|
|              | FYE 2021              | FYE 2022 | FYE 2023 | FPE 2024 |
|              | RM'000                | RM'000   | RM'000   | RM'000   |
| Revenue      | 108,779               | 188,296  | 151,547  | 67,311   |
| GP           | 20,400                | 33,742   | 27,610   | 13,015   |
| Other income | 173                   | 1,090    | 327      | 76       |
| PAT          | 7,625                 | 14,616   | 10,054   | 5,578    |

- (iv) our competitive strengths as well as business strategies and plans as set out in **Sections 7.3** and **7.16** of this Prospectus, respectively; and
- (v) the overview and prospects of our industry as set out in **Section 8** of this Prospectus.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Institutional Price; or
- (ii) the Retail Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. Please refer to **Section 4.4.3** of this Prospectus for details of the refund mechanism.

The Institutional Price and Final Retail Price will be announced within 2 Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Institutional Price and Final Retail Price, together with the notices of allotment for our IPO Shares.

## 4. DETAILS OF OUR IPO (CONT'D)

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### 4.4.2 Institutional Price

The Institutional Price will be determined by way of a bookbuilding process where the prospective institutional and selected investors will be invited to bid for the portion of the Institutional Offering by specifying the number of IPO Shares that they would be prepared to acquire and the price that they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process will commence on 15 November 2024 and will end on 22 November 2024, or such other date or dates as our Board, Principal Adviser and Bookrunner in their absolute discretion may decide. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Board in consultation with the Bookrunner on the Price Determination Date.

### 4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applicants made via the Application Form; or
- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institutions for applications made via the Internet Share Application,

within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, please refer to **Section 16.9** of this Prospectus.

### 4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be RM147.6 million.

**You should note that the market price of our Shares upon Listing is subject to vagaries market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are also reminded to consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.**

## 4.5 DILUTION

Dilution is the amount by which our pro forma combined NA per Share after our IPO is less than the price paid by the retail, institutional and selected investors for our IPO Shares. Our pro forma combined NA per Share as at 31 May 2024 was approximately RM0.07 per Share, based on our existing total number of 528,000,000 Shares after adjusting for the Pre-IPO Exercise prior to our Listing.

After taking into account our enlarged issued Shares from the issuance of 210,000,000 Issue Shares under the Public Issue, and after adjusting for the use of proceeds from our Public Issue, our pro forma combined NA per Share as at 31 May 2024 would be RM0.11 per Share. This represents an immediate increase in NA per Share of RM0.04 to our existing shareholders and an immediate dilution in the NA per Share of RM0.09 (representing 45.0%) of the Institutional Price and the Retail Price (assuming the Institutional Price and the Final Retail Price will equal the Retail Price), to institutional, retail and selected investors.

#### 4. DETAILS OF OUR IPO (CONT'D)

The table below illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Institutional Price and the Final Retail Price:

|   | <u>RM</u> |
|---|-----------|
| Institutional Price and the Final Retail Price  | 0.20      |
| Pro forma combined NA per Share as at 31 May 2024 after the Pre-IPO Exercise but before the IPO   | 0.07      |
| Pro forma combined NA per Share as at 31 May 2024 after the IPO and the intended use of proceeds from our Public Issue  | 0.11      |
| Increase in pro forma combined NA per Share to our existing shareholders  | 0.04      |
| Dilution in pro forma combined NA per Share to institutional, retail and selected investors   | 0.09      |
| Dilution in pro forma combined NA per Share to institutional, retail and selected investors as a percentage of the Institutional Price and the Final Retail Price | 45.0%     |

Further details of our pro forma combined NA per Share as at 31 May 2024 are set out in **Section 12.9** of this Prospectus.

Save as disclosed below and apart from the Pink Form Allocations, none of our Promoters, Substantial Shareholders, Directors, Key Senior Management or persons connected with them have acquired or have entered into any transaction which grants them the right to acquire any of our Shares since the incorporation of our Company up to the LPD:

| <u>Name</u>   | <u>No. of Shares held before IPO</u> | <u>Total consideration</u><br><u>RM</u> | <u>Average effective cost per Share</u><br><u>RM</u> |
|---|--------------------------------------|---|--|
| <b><u>Promoters, Directors and Substantial Shareholders</u></b> |                                      |   |  |
| Lee Chin Yok  | (1)(2)237,600,000                    | 14,897,614                              | 0.06   |
| Lee Cheng Seng  | (2)105,600,000                       | 6,621,120                               | 0.06   |
| Lee Cheng Fei   | (2)105,600,000                       | 6,621,120                               | 0.06   |
| <b><u>Substantial Shareholders</u></b>                          |                                      |   |  |
| Lau Sam Siong   | (2)52,800,000                        | 3,310,560                               | 0.06   |
| Datuk Tan Chew Chin   | (2)26,400,000                        | 1,655,280                               | 0.06   |

**Notes:**

- (1) Allotment of 90 subscriber's Shares pursuant to the incorporation of our Company on 11 September 2023 and the transfer of the remaining 10 subscriber's Shares on 27 September 2024.
- (2) Allotment of 527,999,900 Shares on 27 September 2024 arising from the Acquisition of Cropmate Fertilizer which was completed on 27 September 2024, the details of which is as set out in **Section 6.2.1** of this Prospectus.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.6 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue of approximately RM42.0 million (assuming the Institutional Price and the Final Retail Price is equivalent to the Retail Price) in the following manner:

| <u>Details of use of proceeds</u>  | <u>Reference</u> | <u>RM'000</u>        | <u>%</u>            | <u>Estimated timeframe for use of proceeds from date of Listing</u> |
|--|------------------|----------------------|---------------------|---|
| Working capital  | 4.6.1            | 17,135               | 40.8                | Within 12 months  |
| To part finance the purchase considerations of Factory Lot 8949 and Factory Lot 8950 | 4.6.2            | 16,695               | 39.8                | Within 12 months  |
| Capital expenditure  | 4.6.3            | 3,170                | 7.5                 | Within 18 months  |
| Estimated listing expenses   | 4.6.4            | 5,000                | 11.9                | Within 2 months   |
| <b>Total</b>   |                  | <b><u>42,000</u></b> | <b><u>100.0</u></b> |   |

Further details of the proposed use of gross proceeds from the Public Issue are as follows:

##### 4.6.1 Working capital

We have allocated approximately RM17.1 million from the Public Issue proceeds to fund our working capital requirements, which will be utilised solely for purchase of input materials such as macronutrients and micronutrients. The estimated purchase of input materials is broken down to approximately 90% and 10% for the purchase of macronutrients and micronutrients respectively. The actual allocation depends on the operating requirements at the time of utilisation. Our Group's working capital requirement is expected to increase in tandem with our production activities as our business grow. Therefore, while our Group continues to generate cash inflows from our operations, the allocated proceeds from our IPO for our Group's working capital provide flexibility to our Group in managing our cash flows while reducing our reliance on trade facilities.

Our Group has utilised banker's acceptance facilities of approximately RM12.0 million as at 31 December 2023 and RM3.2 million as at 31 May 2024, to purchase our input materials which has incurred interest expense of approximately RM0.5 million for the FYE 2023 and approximately RM0.1 million for the FPE 2024. As at the LPD, our Group has available banker's acceptance facilities of approximately RM20.0 million. By utilising the proceeds from our IPO for purchasing input materials, our Group will be able to purchase more stock of input materials as and when necessary as well as to reduce interest expense incurred on the Banker's Acceptance facilities.

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#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.6.2 To part finance the purchase considerations of Factory Lot 8949 and Factory Lot 8950

We have allocated approximately RM16.7 million from the Public Issue proceeds to part finance the Proposed Acquisition of Factory Lot 8949 and Proposed Acquisition of Factory Lot 8950:

|  | Estimated allocation of proceeds |              |
|--|----------------------------------|--------------|
|  | RM'000                           | %            |
| 90% of the purchase consideration of Factory Lot 8949 <sup>(1)</sup> | 14,670                           | 87.9         |
| 15% of the purchase consideration of Factory Lot 8950 <sup>(2)</sup> | 2,025                            | 12.1         |
| <b>Total</b>   | <b>16,695</b>                    | <b>100.0</b> |

**Notes:**

- (1) Valuation on Factory Lot 8949 was carried out by the Valuer on 3 October 2023 and updated on 15 March 2024. Please refer to **Sections 6.2.2(i) and 14** of this Prospectus for further details of the Proposed Acquisition of Factory Lot 8949.
- (2) Valuation on Factory Lot 8950 was carried out by the Valuer on 3 October 2023 and updated on 15 March 2024. Please refer to **Sections 6.2.2(ii) and 14** of this Prospectus for further details of the Proposed Acquisition of Factory Lot 8950.

##### 4.6.3 Capital expenditure

We have allocated approximately RM3.2 million from the Public Issue proceeds to purchase the following new vehicles and equipment as well as setting up of a R&D and test laboratory to enhance our operations and customer service capability. The estimated capital expenditure is summarised as follows:

| Capital expenditure <sup>(1)</sup>   | Description   | Estimated amount |
|--|---|------------------|
|  |   | RM'000           |
| Purchase and installation of process control system ("PCS") and conveyor belt system | <ul style="list-style-type: none"> <li>▪ The PCS is an automated accurate weighing process which consists of a programmable logic controller system that controls 4 input material silos with weighing controllers for accurate weighing based on the formulation set in system, together with a conveyor belt system to transport the weighed input materials into a mixing tank before the blending process.</li> <li>▪ The estimated total cost for the purchase and installation of PCS and conveyor belt system of approximately RM1.3 million will be fully funded through the allocated Public Issue proceeds.</li> <li>▪ As at the LPD, our material handling process at our operations facility is mainly manual starting from transporting input materials through to the packaging of finished products except for the use of blending equipment. The installation aims to upgrade the production process through accuracy in the measurement of input materials and reduction in manual labour for the weighing and movement of input materials between processes.</li> </ul> | 1,300            |

## 4. DETAILS OF OUR IPO (CONT'D)

| <u>Capital expenditure<sup>(1)</sup></u>            | <u>Description</u>   | <u>Estimated amount</u> |
|---|--|-------------------------|
|   |  | <u>RM'000</u>           |
| Setting up a R&D and test laboratory at head office | <ul style="list-style-type: none"> <li>▪ Renovation and purchase of equipment to set up an in-house R&amp;D and test laboratory to carry out testing and analysis for product quality assurance. The apparatus and instruments required includes a spectroscopy analytic system, a colorimetric titration system, moisture balance, oven, analytical balance and pH meter.</li> <li>▪ The estimated total cost of setting up an internal R&amp;D and test laboratory of RM1.0 million will be fully funded through the allocated Public Issue proceeds.</li> <li>▪ With an in-house R&amp;D and test laboratory, we can cost-effectively conduct more testing programmes. In addition, we can obtain faster test results as third-party laboratories commonly require 1 to 2 weeks or up to 1 month before we receive the test results.</li> </ul> | 1,000                   |
| Purchase of equipment and vehicles <sup>(2)</sup>   | <ul style="list-style-type: none"> <li>▪ 5 units of forklifts and 1 unit of backhoe loader for material handling and transportation within our 2-factory premises and warehouse</li> <li>▪ 2 units of four-wheel drive vehicles to deploy our sales personnel and technical staffs for marketing and to carry out field visits to plantation to assess plant and soil conditions of our customers</li> </ul>   | 870                     |
| <b>Total</b>  |  | <b><u>3,170</u></b>     |

**Notes:**

- (1) Please refer to **Section 7.16** of this Prospectus for further details on our Group's business strategies and plans.
- (2) As at the LPD, our Group's equipment for material handling and transportation, as well as vehicles include, 9 units of forklift, 1 unit of backhoe loader and 8 units of motor vehicles for marketing and to carry out field visits.

Any excess amount required for the above capital expenditure will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual amount for the above capital expenditure is lower than budgeted, the excess will be used for working capital purposes to purchase input materials.

#### 4. DETAILS OF OUR IPO (CONT'D)

##### 4.6.4 Estimated listing expenses

We have allocated RM5.0 million of our proceeds from the Public Issue for our listing expenses as follows:

|   | <b>RM'000</b> |
|---|---------------|
| Professional fees   | 3,300         |
| Brokerage, underwriting and placement fees  | 1,100         |
| Regulatory fees   | 100           |
| Printing, advertising and other miscellaneous expenses relating to our IPO <sup>(1)</sup> | 500           |
| <b>Total</b>  | <b>5,000</b>  |

**Note:**

- (1) *Other incidental or related expenses in connection with our IPO, which include fee to translators, media related expenses and IPO event expenses.*

Any variations from the amounts budgeted above, save for **Section 4.6.1** of this Prospectus, shall be adjusted towards or against, as the case may be, the proceeds allocated under working capital purposes as set out in **Section 4.6.1** of this Prospectus. Any further shortfall will be funded via our internally generated funds and/or bank borrowings. Where applicable and required under Rule 8.24 of the Listing Requirements, our Company will seek shareholders' approval for any material variation to the intended utilisation of proceeds.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for working capital. Conversely, if the actual proceeds are lower than budgeted above, the proceeds allocated for working capital will be reduced accordingly.

Pending the eventual use of the gross proceeds from the Public Issue for the above intended purposes, we will place such funds in interest-bearing fixed deposit accounts with licensed financial institutions or in short-term money market instruments as our Directors may deem appropriate.

We will not receive any proceeds from the Offer for Sale. The gross proceeds of approximately RM10.0 million from the Offer for Sale will accrue entirely to our Offerors. Our Offerors will be bearing the entire incidental expenses and fees relating to the Offer for Sale, which is estimated to be approximately RM0.2 million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Combined Statements of Financial Position as at 31 May 2024 as set out in **Section 12.9** of this Prospectus.



#### **4. DETAILS OF OUR IPO (CONT'D)**

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#### **4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE**

##### **4.7.1 Brokerage fee**

We will pay brokerage fee in respect of our IPO Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful Applications which bear the stamp of HLIB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Bookrunner is entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or our Offerors.

##### **4.7.2 Underwriting commission**

Our Underwriter has agreed to underwrite 51,660,000 IPO Shares under the Retail Offering, subject to the clawback and reallocation provision. We are obliged to pay our Underwriter an underwriting commission of 2.0% (exclusive of applicable tax) of the Retail Price multiplied by the total number of IPO Shares underwritten under the Retail Offering, in accordance with the terms of the Underwriting Agreement.

##### **4.7.3 Placement fee**

The Offerors for the Offer Shares and us for the Issue Shares will pay our Bookrunner a placement fee of 2.0% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to institutional and selected investors, including Bumiputera investors approved by the MITI, in accordance with the terms of the Placement Agreement.

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## 4. DETAILS OF OUR IPO (CONT'D)

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### 4.8 DETAILS OF UNDERWRITING ARRANGEMENT

We have entered into the Underwriting Agreement with the Underwriter to underwrite 51,660,000 IPO Shares under the Retail Offering, subject to the clawback and reallocation provisions set out in **Section 4.2.5** of this Prospectus and upon the terms and conditions as set out in the Underwriting Agreement.

Details of the underwriting commission is set out in **Section 4.7.2** of this Prospectus, while the salient terms of the Underwriting Agreement are as follows:

#### 4.8.1 Conditions precedent for underwriting

- (i) the obligations of the Underwriter under the Underwriting Agreement shall be conditional upon the fulfilment and/or satisfaction of the following:
  - (a) all approvals, authorisations, orders, consents, exemptions and waiver required in relation to the IPO, the Listing including but not limited to the approvals referred to in the Underwriting Agreement, having been obtained and remaining in full force and effect up to the last day and time for the acceptance of and payment for the Retail Offering in accordance with this Prospectus and Application Form(s) or any such date as may be extended from time to time by our Company together with the mutual of the Underwriter in writing, subject to the prior written approval of the relevant authorities, if required, and on the condition that our Company shall bear all costs, charges and expenses of and incidental to the extension of the Closing Date (if any) as may be incurred by the Underwriter ("**Closing Date**"), two (2) Market Days after the receipt of the underwriting notice or one (1) Market Day after the receipt of the supplemental underwriting notice from our Company, whichever is later ("**Settlement Date**") and the date of Listing and that all conditions of the approvals have been complied with;
  - (b) the offer and issuance of our IPO Shares having been approved by the shareholders of our Company;
  - (c) the lodging with the CCM of a copy of this Prospectus for lodgement in accordance with the requirements of Section 234 of the CMSA together with copies of all documents required under the CMSA;
  - (d) the registration with Bursa Securities of this Prospectus and the submission to Bursa Securities of accompanying documents on or before their issue, circulation or distribution to the public;
  - (e) all necessary approvals and consents required in relation to our IPO including but not limited to governmental approvals having been obtained and are in full force and effect and that all conditions to the approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;
  - (f) this Prospectus being issued not later than 15 November 2024 or such later date as may be agreed by the Underwriter;
  - (g) the Underwriter being satisfied that our Company admitted to the Official List and our issued and paid-up share capital will be listed and quoted on the ACE Market of Bursa Securities without undue delay;

#### 4. DETAILS OF OUR IPO (CONT'D)

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- (h) the delivery of the signed legal opinion issued by the legal counsel to the Underwriter on the Closing Date;
- (i) the execution of the Placement Agreement no later than 22 November 2024 and the Placement Agreement not having been terminated or rescinded pursuant to the provisions thereof;
- (j) the IPO and the offering and subscription of our IPO Shares in accordance with the provisions of this Prospectus and/or the Underwriting Agreement not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (k) there not being, on or prior to the Closing Date and/or Settlement Date, any change or any development involving a prospective change in our Company or our Group or from the information set out in this Prospectus which is likely to give rise to, any event, change, development or occurrence, or series of events, changes, development or occurrences, which in the Underwriter's opinion, that will or is likely to prejudice or have an adverse effect or change, whether individually or in the aggregate and whether or not arising in the ordinary course of business: (i) on the condition (financial or otherwise), earnings, general affairs, management, shareholders' equity, business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company or our Group, (ii) on the ability of our Company, the Offerors and/or our Group to perform in any respect its/their obligations under or with respect to, or to consummate the transactions contemplated by, this Prospectus, the Application Form(s), the Placement Agreement or the Underwriting Agreement, or (iii) on our IPO ("**Material Adverse Event**");
- (l) there not having occurred on or prior to the Closing Date and/or Settlement Date, any event or discovery of fact or circumstances rendering untrue, inaccurate or incorrect any of the representations, warranties and undertakings of our Company under the Underwriting Agreement;
- (m) there not having occurred on or prior to the Closing Date and/or Settlement Date, any breach of and/or failure to perform any of the representations, warranties and undertakings by our Company contained in the Underwriting Agreement;
- (n) the delivery to the Underwriter on the Closing Date and Settlement Date, respectively a certificate in the agreed form of our Company, signed by a duly authorised officer of our Company, dated the Closing Date and the Settlement Date, to the effect that the person who provides such certificate has carefully examined the Underwriting Agreement and that: (i) the representations, warranties and undertakings of our Company are true, accurate and correct and not misleading in all respects on and as of the Closing Date and Settlement Date (as the case may be), as though they had been given and made on the Closing Date and the Settlement Date (as the case may be), and our Company has complied with all the terms of the Underwriting Agreement and satisfied all the conditions on its part under the Underwriting Agreement to be performed and satisfied on or prior to the Closing Date and the Settlement Date (as the case may be); (ii) since the date of the Underwriting Agreement, there has been no change or development that may give rise to a Material Adverse Event; and (iii) the allotment and issuance of the IPO Shares under the IPO are not being prohibited by any statutes or regulations promulgated or issued by any legislative or regulatory body in Malaysia; and

#### 4. DETAILS OF OUR IPO (CONT'D)

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(o) our Company to deliver to the Underwriter a copy each of the following unconditional and irrevocable written undertakings by our Promoters and our Voluntary Shareholders to Bursa Securities:

(i) each of our Promoters undertake that:

- (1) during the First 6-Month Moratorium, they will each not sell, transfer or assign their respective shareholdings for a period of 6 months from the date of listing and admission of our Company to the ACE Market of Bursa Securities having been obtained;
- (2) upon the expiry of the First 6-Month Moratorium, they will each ensure that the aggregate shareholdings of our Promoters amounting to at least 332,100,000 of the total number of issued Shares remain under moratorium during the Second 6-Month Moratorium;
- (3) upon the expiry of the Second 6-Month Moratorium, each of our Promoters may only sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares previously held under moratorium; and

(ii) each of our Voluntary Shareholders undertakes that they will not sell, transfer or assign any part of their respective shareholding during the First 6-Month Moratorium,

and performance of their obligations under the same and the same not having been terminated or rescinded pursuant to the provisions thereof and each remaining in full force and effect and no breach in respect of any of such written undertaking has occurred.

(ii) In the event any of the conditions set forth in Section 4.8.1(i) are not satisfied on or prior to the Closing Date which in any case shall not be later than 22 November 2024 or such later date as consented to in writing by the Underwriter, the Underwriter, subject as mentioned below, shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing to our Company.

(iii) In the event of termination pursuant to Section 4.8.1(ii) above, except for the liability of our Company for the payment of:

- (a) (i) the underwriting commission, if the non-fulfilment of the relevant condition is due to or arising from the fault of our Company or matters within our Company's control; or (ii) the broken funding cost, if the non-fulfilment of the relevant condition is not due to or arising from the fault of our Company or matters within our Company's control; and
- (b) the costs and expenses incurred by the Underwriter on or prior to or in connection with such termination,

and our Company continuing to be liable to indemnify the Underwriter pursuant to the terms of the Underwriting Agreement, the parties will be released and discharged from their respective obligations under the Underwriting Agreement upon such termination save for antecedent breaches by any party and claims arising therefrom.

#### 4. DETAILS OF OUR IPO (CONT'D)

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- (iv) To the extent permitted by law, the Underwriter may at its sole discretion, upon request by our Company, waive compliance with any provision of Section 4.8.1(i) without prejudice to its other powers, rights and remedies under the Underwriting Agreement. Any condition so waived by the Underwriter in writing shall be deemed to have been satisfied in relation to it. For the avoidance of doubt, there is no waiver from compliance with any provision of Section 4.8.1(i) unless such waiver is expressed in writing and signed by the Underwriter.

#### 4.8.2 Termination by the Underwriter upon the occurrence of adverse changes and consequences thereof

- (i) Notwithstanding anything contained in the Underwriting Agreement, the Underwriter, may by notice in writing to our Company given at any time before the date of Listing, terminate, cancel and withdraw its, subject to clawback and reallocation, to subscribe and/or procure the subscription for the unsubscribed shares ("**Underwriting Commitment**") if in the opinion of the Underwriter:
- (a) there is any breach by our Company of any of the representations, warranties or undertakings or any other provisions set out in the Underwriting Agreement or which is contained in any certificate under or in connection with the Underwriting Agreement in any respect; and in either event, where such misrepresentation or breach is capable of remedy, the same not being remedied within five (5) Market Days from the provision of a written notice by the Underwriter to our Company or on such other day which the parties may mutually agree in writing, but in any event no later than the Closing Date, as the case may be;
  - (b) without prejudice to Section 4.8.2(i)(a) above, there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement;
  - (c) there is withholding of information from the Underwriter by our Company or our Group which, in the opinion of the Underwriter, causes or is likely to give rise to a Material Adverse Event;
  - (d) there shall have occurred, or happened any other event in which Material Adverse Event having occurred or are likely to occur;
  - (e) any statement contained in this Prospectus, Application Forms and any supplement or amendment thereto, where the context permits, either one of these documents ("**Offer Documents**") has become or been discovered to be untrue, inaccurate or misleading in any respect;
  - (f) matters have arisen or have been discovered which would, if the Offer Documents were to be issued at that time, constitute a material omission therefrom;
  - (g) there shall have occurred, happened or come into effect any event or series of events beyond the control of the Underwriter by reason of Force Majeure which would give rise or can be expected to give rise to, a Material Adverse Event or which is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to our IPO or pursuant to the underwriting of the underwritten Shares or our Company shall sustain any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, in each case, that has caused or could reasonably be expected to give rise to a Material Adverse Event.

#### 4. DETAILS OF OUR IPO (CONT'D)

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**“Force Majeure”** means causes which are unpredictable and beyond the reasonable control of the party or parties claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:

- (1) introduction of or public announcement to introduce any new law or regulation or policy or any change in existing laws or regulations or policies (or the judicial interpretation thereof) or any other similar event which, in the opinion of the Underwriter, has caused or is likely to give rise to a Material Adverse Event;
  - (2) any act or acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, natural catastrophe, earthquake, typhoon, acts of warfare, sabotages, outbreak of war, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic which results in the closure of banks or government or regulatory offices or any other authorities which are required for the Underwriter to perform its obligations under the Underwriting Agreement, acts of terrorism or the declaration of a state of national emergency;
- (h) any government requisition, mandatory control orders or restrictions in movement or other occurrence of any nature whatsoever which would have caused or is likely to give rise to a Material Adverse Event;
- (i) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), economic conditions or exchange control or currency exchange rates which in the opinion of the Underwriter have caused or is likely to give rise to a Material Adverse Event (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day:
- (1) on or after the date of the Underwriting Agreement; and
  - (2) prior to the date of Listing,
 

lower than 90%, of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (j) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more;
- (k) any part of the IPO is stopped or delayed by our Group and/or Company, the Offerors or the regulatory authorities for any reason whatsoever (unless such stoppage or delay has been approved in writing by the Underwriter);

#### 4. DETAILS OF OUR IPO (CONT'D)

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- (l) any commencement of legal proceedings, formal investigations, enquiries or action against any member of our Group or any of their directors or associates, which causes, or is likely to give rise to, a Material Adverse Event or makes it impracticable to market the IPO or to enforce contracts to allot and/or transfer the IPO Shares;
  - (m) the Listing does not take place on or before 5 December 2024 or such other extended date as may be agreed by the Underwriter in writing;
  - (n) the execution of the Placement Agreement has not taken place by 22 November 2024 or such other extended date as may be agreed by the Underwriter in writing;
  - (o) the Placement Agreement shall have been varied, supplemented, terminated or rescinded in accordance with the terms thereof or any of the conditions precedent set forth in the Placement Agreement not having been satisfied in full or to the extent not satisfied as such, not having been waived by the Bookrunner therein in accordance with its terms;
  - (p) approval for the IPO is withdrawn, modified or is varied or supplemented subject to terms and conditions not acceptable to the Underwriter;
  - (q) the Closing Date does not take place on or before 22 November 2024 or any later date which is approved by the Underwriter in writing; or
  - (r) any of our Promoters and/or Voluntary Shareholders breach or fail to perform their obligations under the undertaking as set out under **Section 4.8.1(o)** and/or such undertaking has been varied or supplemented without the consent of the Underwriter or the undertaking has been revoked, terminated or rescinded.
- (ii) Upon such notice of termination being given under Section 4.8.2(i) herein, the Underwriter will be released and discharged of its obligations without prejudice to its rights under the Underwriting Agreement and the Underwriting Agreement will thereafter be of no further force or effect, and save for antecedent breaches and claims arising therefrom, no party will be under any liability to any other in respect of the Underwriting Agreement, except that our Company, as the case may be, will remain liable in respect of its obligations and liabilities under the terms and conditions of the Underwriting Agreement and, our Company shall be liable to the Underwriter for the payment of the underwriting commission which the Underwriter is entitled to duly claim under the Underwriting Agreement together with all costs and expenses already incurred by the Underwriter up to the date on which such notice was given, including but not limited to those incurred in the event the Closing Date is extended, and for the payment of any taxes, duties or levies to be borne by our Company pursuant to applicable laws, and our Company shall refund to the Underwriter the subscription monies including interests accrued thereon, if any, paid by the Underwriter pursuant to its subscription for the underwritten Shares pursuant to the terms and conditions of the Underwriting Agreement not later than seven (7) days after our Company's receipt of the termination notice from the Underwriter.
- (iii) Notwithstanding the other provisions in the Underwriting Agreement, the Underwriter and our Company may however confer with a view to defer the IPO or amend its terms or the terms of the Underwriting Agreement or enter into a new underwriting agreement accordingly. However, our Company and the Underwriter are not under any obligation whatsoever to enter into a new underwriting agreement.

#### 4. DETAILS OF OUR IPO (CONT'D)

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##### 4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS (which is operated by Bursa Depository). This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, our Company will not deliver share certificates to the subscribers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as the shareholders of our Company in respect of the number of Shares credited to the respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

All Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List of Bursa Securities;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the 3<sup>rd</sup> Market Day following the transaction date, and payment for the securities is generally settled on the 3<sup>rd</sup> Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Institutional Offering. Holders of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfers to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT

### 5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 5.1.1 Promoters and Substantial Shareholders' shareholdings

The details of our Promoters and/or Substantial Shareholders and their respective shareholdings in our Company before our IPO (after completion of the Pre-IPO Exercise) and after our IPO are as follows:

| Name   | Nationality | Before our IPO          |      |                           | After our IPO |                         |      |                           |         |
|--|-------------|-------------------------|------|---------------------------|---------------|-------------------------|------|---------------------------|---------|
|  |             | Direct<br>No. of Shares | (1)% | Indirect<br>No. of Shares | (1)%          | Direct<br>No. of Shares | (2)% | Indirect<br>No. of Shares | (2)%    |
| <b><u>Promoters and Substantial Shareholders</u></b> |             |                         |      |                           |               |                         |      |                           |         |
| Lee Chin Yok   | Malaysian   | 237,600,000             | 45.0 | 211,200,000               | (3)40.0       | 215,100,000             | 29.1 | 191,200,000               | (3)26.0 |
| Lee Cheng Seng                                       | Malaysian   | 105,600,000             | 20.0 | -                         | -             | 95,600,000              | 13.0 | -                         | -       |
| Lee Cheng Fei  | Malaysian   | 105,600,000             | 20.0 | -                         | -             | 95,600,000              | 13.0 | -                         | -       |
| <b><u>Substantial Shareholders</u></b>               |             |                         |      |                           |               |                         |      |                           |         |
| Lau Sam Siong  | Malaysian   | 52,800,000              | 10.0 | -                         | -             | 47,800,000              | 6.5  | -                         | -       |
| Datuk Tan Chew Chin <sup>(4)</sup>                   | Malaysian   | 26,400,000              | 5.0  | -                         | -             | 23,900,000              | 3.2  | -                         | -       |

**Notes:**

- (1) Based on the total number of 528,000,000 Shares after the completion of the Pre-IPO Exercise.
- (2) Based on the enlarged number of 738,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of the shares held by his sons, Lee Cheng Seng and Lee Cheng Fei pursuant to Section 8 of the Act.
- (4) Datuk Tan Chew Chin will cease to be a substantial shareholder after our IPO.

Our Promoters and Substantial Shareholders do not have different voting rights from other shareholders of our Company as all our Shares before and after our IPO are of the same class.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.1.2 Profiles of our Promoters and Substantial Shareholders

(i) **Lee Chin Yok**

Promoter, Substantial Shareholder and Managing Director

Lee Chin Yok, a Malaysian, aged 64, is our Promoter, Substantial Shareholder and Managing Director. Please refer to **Section 5.2.2(ii)** of this Prospectus for details of Lee Chin Yok's profile.

(ii) **Lee Cheng Seng**

Promoter, Substantial Shareholder and Non-Independent Executive Director

Lee Cheng Seng, a Malaysian, aged 40, is our Promoter, Substantial Shareholder and Non-Independent Executive Director. Please refer to **Section 5.2.2(iii)** of this Prospectus for details of Lee Cheng Seng's profile.

(iii) **Lee Cheng Fei**

Promoter, Substantial Shareholder and Non-Independent Executive Director

Lee Cheng Fei, a Malaysian, aged 36, is our Promoter, Substantial Shareholder and Non-Independent Executive Director. Please refer to **Section 5.2.2(iv)** of this Prospectus for details of Lee Cheng Fei's profile.

(iv) **Lau Sam Siong**

Substantial Shareholder

Lau Sam Siong, a Malaysian, aged 76, is our Substantial Shareholder.

Lau Sam Siong attended his secondary education in Catholic High School, Melaka (now known as Sekolah Menengah Jenis Kebangsaan Katholik, Melaka) and completed in 1966.

Lau Sam Siong began his career as Sales Assistant in an electrical goods shop in 1967 where he was responsible in assisting the sales of electrical products in the shop. In 1968, he left to join Union Carbide Malaysia Sdn Bhd (now known as Energizer Malaysia Sdn Bhd) as Sales and Marketing Personnel in the Agrochemical Division. Thereafter, he left and joined a plantation-based company's trading division as Sales Representative in 1970, where he was responsible for the sales and marketing of agrochemicals and fertilisers. In 1978, he joined United Power (M) Sdn Bhd, a company involved in wholesaling and retailing chemical and fertilisers, as director and shareholder where he was responsible for the sales and marketing of agrochemicals. Subsequently, the company was dissolved in 2017.

Having been exposed in the fertiliser business, he invested in Yinpolin Agriculture Sdn Bhd ("**Yinpolin**") (now known as Hextar Fert Sdn Bhd), a company involved in fertiliser business as a shareholder in 1980 and subsequently was appointed as director of Yinpolin in 1984, where he was responsible for managing and overseeing the operations of the company. In 2010, he resigned as director and disposed of his entire equity interests in Yinpolin to Hextar Holdings Sdn Bhd. Thereafter, he retired upon cessation of his involvement in Yinpolin.

He became a shareholder of Cropmate Fertilizer when he acquired 100 shares in June 2018 and subsequently subscribed for additional 249,900 shares in September 2018, as an investment. He is a passive investor and is not involved in any executive capacity in our Group.

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

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**(v) Datuk Tan Chew Chin**  
Substantial Shareholder

Datuk Tan Chew Chin ("**Datuk Tan**"), a Malaysian, aged 62, is our Substantial Shareholder.

Datuk Tan attended his secondary education in Sekolah Menengah Kebangsaan Tanjung Sepat, Selangor in 1977. From 1977 to 1979, he worked as Apprentice in an engineering workshop relating to moulding machine. He then joined an oil palm estate company in Pahang as Mandor in 1979 where he was responsible for the day to day operations and management of the oil palm estate for several years until 1984.

Having gained experience in the palm oil industry, he set up his trading company under the name of Tan Chew Chin in 1984 where he was involved in the trading of fertilisers and fresh fruit bunches from oil palm plantations. In 1992, he set up Tan Chew Chin Trading in order to manage oil palm plantations for third parties, trading of fertilisers and building materials. He acquired Sri Kuala (M) Sdn Bhd in 1993 to consolidate his trading of fertilisers business from Tan Chew Chin and Tan Chew Chin Trading while its oil palm business remained at Tan Chew Chin and Tan Chew Chin Trading.

In the subsequent years, he expanded his oil palm business, among others, by setting up Kian Hong Plant Sdn Bhd, an oil palm plantation in Melaka in 2004. He also ventured into an oil palm plantation company, Sinong Pelita Matu Sdn Bhd, in 2005 together with Yayasan Sarawak and LCDA Holdings Sdn Bhd to jointly develop an oil palm plantation in Sarawak. In 2019, Datuk Tan further ventured downstream by setting up an oil palm mill via Sinong Pelita Oil Mill Sdn Bhd. Presently, he mainly focuses on his oil palm plantation business via several private limited companies.

He became a shareholder of Cropmate Fertilizer when he acquired 100 shares in June 2018 and subsequently subscribed for additional 249,900 shares in September 2018, as an investment. He then disposed 125,000 shares to Lee Chin Yok in October 2019. He is a passive investor and is not involved in any executive capacity in our Group.

Datuk Tan will cease to be a substantial shareholder after our IPO.

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**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

**5.1.3 Changes in our Promoters' and Substantial Shareholders' shareholding in our Company**

The table below sets out the changes in our Promoters' and Substantial Shareholders' shareholdings since incorporation and up to the completion of our IPO:

| Name   | At the date of incorporation |               |      | After the Pre-IPO Exercise |               |         |
|--|------------------------------|---------------|------|----------------------------|---------------|---------|
|  | Direct                       | Indirect      | %    | Direct                     | Indirect      | (1)%    |
|  | No. of Shares                | No. of Shares | %    | No. of Shares              | No. of Shares | (1)%    |
| <b><u>Promoters and Substantial Shareholders</u></b> |                              |               |      |                            |               |         |
| Lee Chin Yok   | 90                           | -             | 90.0 | 237,600,000                | 211,200,000   | (3)40.0 |
| Lee Cheng Seng                                       | -                            | -             | -    | 105,600,000                | -             | -       |
| Lee Cheng Fei  | -                            | -             | -    | 105,600,000                | -             | -       |
| <b><u>Substantial shareholders</u></b>               |                              |               |      |                            |               |         |
| Lau Sam Siong  | -                            | -             | -    | 52,800,000                 | -             | -       |
| Datuk Tan Chew Chin <sup>(4)</sup>                   | -                            | -             | -    | 26,400,000                 | -             | -       |
| Joan Veronica A/P I A Carvalho                       | 10                           | -             | 10.0 | -                          | -             | -       |
| <b>After our IPO</b>                                 |                              |               |      |                            |               |         |
|  | Direct                       | Indirect      | (2)% | Direct                     | Indirect      | (2)%    |
|  | No. of Shares                | No. of Shares | (2)% | No. of Shares              | No. of Shares | (2)%    |
| <b><u>Promoters and Substantial Shareholders</u></b> |                              |               |      |                            |               |         |
| Lee Chin Yok   | 215,100,000                  | 191,200,000   | 29.1 | 191,200,000                | (3)26.0       |         |
| Lee Cheng Seng                                       | 95,600,000                   | -             | 13.0 | -                          | -             |         |
| Lee Cheng Fei  | 95,600,000                   | -             | 13.0 | -                          | -             |         |
| <b><u>Substantial shareholders</u></b>               |                              |               |      |                            |               |         |
| Lau Sam Siong  | 47,800,000                   | -             | 6.5  | -                          | -             |         |
| Datuk Tan Chew Chin <sup>(4)</sup>                   | 23,900,000                   | -             | 3.2  | -                          | -             |         |
| Joan Veronica A/P I A Carvalho                       | -                            | -             | -    | -                          | -             |         |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

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**Notes:**

- (1) *Based on the total number of 528,000,000 Shares after the completion of the Pre-IPO Exercise.*
- (2) *Based on the enlarged number of 738,000,000 Shares after our IPO.*
- (3) *Deemed interested by virtue of the shares held by his sons, Lee Cheng Seng and Lee Cheng Fei pursuant to Section 8 of the Act.*
- (4) *Datuk Tan Chew Chin will cease to be a substantial shareholder after our IPO.*

**5.1.4 Persons exercising control over the corporation**

Save for our Promoters, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. There is no arrangement between our Company and our shareholders with any third parties, the operation of which may result in a change in control of our Company.

**5.1.5 Amounts and benefits to Promoters and Substantial Shareholders**

Save for the issuance of our Shares as consideration for the Acquisition of Cropmate Fertilizer, the dividends paid by Cropmate Fertilizer to our Substantial Shareholders, the aggregate remuneration and benefits paid and proposed to be paid to our Promoters for services rendered in all capacities to our Group, the payments arising from the related party transaction disclosed in **Section 10.1.1** of this Prospectus and the considerations for the Proposed Acquisition of Factory Lot 8949 and Proposed Acquisition of Factory Lot 8950, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and Substantial Shareholders within the 2 years preceding the date of this Prospectus.

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## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.2 BOARD OF DIRECTORS

#### 5.2.1 Directors' shareholdings

The details of our Directors and their respective shareholdings in our Company before our IPO (after completion of the Pre-IPO Exercise) and after our IPO (assuming full subscription of the IPO Shares allocated for our Directors under the Pink Form Allocation) are as follows:

| Name/ Designation  | Nationality | Before our IPO |                   |               | After our IPO        |               |                   |
|--|-------------|----------------|-------------------|---------------|----------------------|---------------|-------------------|
|  |             | Direct         |                   | Indirect      | Direct               |               | Indirect          |
|  |             | No. of Shares  | ( <sup>1</sup> )% | No. of Shares | ( <sup>1</sup> )%    | No. of Shares | ( <sup>2</sup> )% |
| Lau Yoon Kwai/<br>Independent Non-Executive<br>Chairman                              | Malaysian   | -              | -                 | -             | -                    | 500,000       | -                 |
| Lee Chin Yok/<br>Managing Director   | Malaysian   | 237,600,000    | 45.0              | 211,200,000   | ( <sup>3</sup> )40.0 | 215,100,000   | 191,200,000       |
| Lee Cheng Seng/<br>Non-Independent Executive<br>Director                             | Malaysian   | 105,600,000    | 20.0              | -             | -                    | 95,600,000    | -                 |
| Lee Cheng Fei/<br>Non-Independent Executive<br>Director                              | Malaysian   | 105,600,000    | 20.0              | -             | -                    | 95,600,000    | -                 |
| Tengku Faradiza Binti<br>Tengku Baharuddin/<br>Independent Non-Executive<br>Director | Malaysian   | -              | -                 | -             | -                    | 500,000       | -                 |
| Chin Chew Lo/<br>Independent Non-Executive<br>Director                               | Malaysian   | -              | -                 | -             | -                    | 500,000       | -                 |
| Yeo Shu Pin/<br>Independent Non-Executive<br>Director                                | Malaysian   | -              | -                 | -             | -                    | 500,000       | -                 |

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### Notes:

- (1) *Based on the total number of 528,000,000 Shares after completion of the Pre-IPO Exercise.*
  - (2) *Based on the enlarged number of 738,000,000 Shares after our IPO.*
  - (3) *Deemed interested by virtue of the shares held by his sons, Lee Cheng Seng and Lee Cheng Fei pursuant to Section 8 of the Act.*
- \* *Less than 0.1.*

Subject to the clawback and reallocation provisions as set out in **Section 4.2.5** of this Prospectus, our Directors may also apply for Excess Shares on top of their pre-determined allocation under the Pink Form Allocation.

### 5.2.2 Profiles of our Directors

The profiles of our Directors are as follows:

- (i) **Lau Yoon Kwai**  
Independent Non-Executive Chairman

Lau Yoon Kwai, a Malaysian, aged 59, is our Independent Non-Executive Chairman. He was appointed to our Board on 1 October 2023.

Lau Yoon Kwai graduated from King's College London, University of London in 1989 with a Bachelor of Engineering in Civil Engineering.

He began his career in Hussein & KH Chong Sdn Bhd as Resident Engineer in 1989, where he was responsible for monitoring and supervising the progress and quality of construction works on high-rise buildings. He then left to join Malayan Banking Berhad in 1990 in the Credit Card Centre Division as Graduate Trainee where he was responsible for the business development on credit card acquiring services. Subsequently in 1991, he was transferred to the Corporate Banking Division as Executive where he was responsible for servicing a portfolio of multinational corporate clients and marketing of bank's products and services.

He left Malayan Banking Berhad in 1994 to join Dai-Ichi Kangyo Bank Ltd, Labuan branch (now known as Mizuho Bank, Ltd) as Senior Officer and was subsequently promoted as Assistant Manager in 1995. He was responsible for the establishment of the branch's marketing department, business development, credit evaluation and loan documentation. Subsequently, he left in 1997 to join Linden Park Hill Resort Sdn Bhd as Project Manager, where he was responsible for carrying out feasibility study and project conceptualisation of an integrated golf course resort development project.

In 1998, he left to join Bayerische Landesbank, Singapore branch as Account Manager, where he was responsible for the administration of multi-currency loan assets with regional client base. He was also involved in managing all aspects of loan recovery, including legal proceedings and restructuring exercises for non-performing loans as well as preparing the yearly budget.

He returned to Malaysia in 2001 to set up Khidmat Minda Sdn Bhd, which provides business consulting and operational services. In 2013, he left Khidmat Minda Sdn Bhd and established Khidmat Sumber Niaga Jaya, a sole proprietorship, as Principal Consultant where he continued his consulting and advisory services to various companies, including small and medium-sized enterprises and non-profit organisations.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

As at the LPD, Lau Yoon Kwai also sits on the board of several private limited companies in Malaysia, details of which are set out in **Section 5.2.3** of this Prospectus.

### (ii) Lee Chin Yok

Promoter, Substantial Shareholder and Managing Director

Lee Chin Yok, a Malaysian, aged 64, is our Promoter, Substantial Shareholder and Managing Director. He was appointed to our Board on 11 September 2023. He has over 40 years of experience in the fertiliser industry and is instrumental in driving the growth of our Group's business. He is primarily responsible for formulating business strategies and overseeing the overall business operations of our Group including finance, sales and marketing.

Lee Chin Yok attended his secondary education in Sekolah Menengah Kebangsaan Sungai Pelek, Selangor in 1978. Subsequently, he pursued an auto mechanics course in motor vehicles in 1979 and obtained his craftsmanship certificate as a mechanic from Agro Industrial Training Complex Negeri Sembilan.

Lee Chin Yok started his career in 1980 when he joined a motor vehicle repairing workshop as a Mechanic. He left in 1984 to join as a Production Supervisor in Yinpolin. He was responsible for supervising the production and operations of fertiliser as well as warehousing. In 1985, he became a shareholder in Yinpolin and was subsequently appointed as director in 2002, where he was responsible for overseeing the business operations of the company including the sales and marketing.

During his tenure in Yinpolin, he gained considerable experience in formulation and blending of various types of fertilisers in order to meet its customers' requirements. As a director of Yinpolin, he also assisted in increasing Yinpolin's revenue from RM28.2 million in the FYE 2002 to RM79.2 million in the FYE 2008.

In July 2010, Lee Chin Yok disposed of his entire equity interests in Yinpolin upon the acquisition by Hextar Holdings Sdn Bhd ("**Acquisition**"). Upon the completion of the Acquisition, he remained as Technical Director in Yinpolin, where he was involved in the production of fertilisers of the company. He then left Yinpolin in 2017.

In 2018, Lee Chin Yok assisted his sons, Lee Cheng Seng and Lee Cheng Fei to set up Cropmate Fertilizer to advise them on the business operations and production development activities of the company. With his years of experience in fertiliser industry, he also advised on the product development for the fertilisers. Later in 2019, he was appointed as director of Cropmate Fertilizer where he was responsible for leading and managing the business operations of the company including sales and marketing activities to help grow the fertiliser business.

Over the years, he has accumulated years of industry knowledge and experience in the fertiliser industry and has built a strong network which enables our Group to grow our sales and customer base. Under his entrepreneurial leadership and experience, he has led our Group to expand our business and our revenue had increased from RM108.8 million to RM151.5 million from FYE 2021 to FYE 2023.

As at the LPD, Lee Chin Yok also sits on the board of several private limited companies in Malaysia, details of which are set out in **Section 5.2.3** of this Prospectus.



## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

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### (iii) **Lee Cheng Seng**

Promoter, Substantial Shareholder and Non-Independent Executive Director

Lee Cheng Seng, a Malaysian, aged 40, is our Promoter, Substantial Shareholder and Non-Independent Executive Director. He was appointed to our Board on 1 October 2023. He has over 16 years of experience in the fertiliser industry and primarily responsible for overseeing the production and operations of our Group including warehousing, maintenance of machineries and quality control.

Lee Cheng Seng attended his secondary education in Sekolah Tinggi Methodist Klang in 2001. In 2003, he began his career in the construction industry as Site Clerk in Ciptacon Development Sdn Bhd where he gained his experience in building residential and commercial buildings. Subsequently he left to join Megan Sentosa Sdn Bhd as Site Supervisor in 2005 where he was responsible for supervising on-site housing construction. In 2008, he joined Yinpolin as Supervisor, where he was responsible for assisting in the production and operations of Yinpolin for 9 years. Over the years, he gained considerable experience in the production and operations of fertiliser business.

In 2017, he left Yinpolin and set up Cropmate Fertilizer with his brother, Lee Cheng Fei in 2018 and he assumed his current responsibilities in our Group.

As at the LPD, Lee Cheng Seng also sits on the board of several private limited companies in Malaysia, details of which are set out in **Section 5.2.3** of this Prospectus.

### (iv) **Lee Cheng Fei**

Promoter, Substantial Shareholder and Non-Independent Executive Director

Lee Cheng Fei, a Malaysian, aged 36, is our Promoter, Substantial Shareholder and Non-Independent Executive Director. He was appointed to our Board on 1 October 2023. He has over 6 years of experience in the fertiliser industry and is primarily responsible for overseeing the business operations of our Group including procurement, human resources and logistics divisions of our Group.

Lee Cheng Fei obtained his Master in Engineering with Honours in Mechanical Engineering from the University of Nottingham, Malaysia in 2010. He is a Graduate Engineer of the Board of Engineers Malaysia and a Graduate of the Institution of Engineers Malaysia since August 2011 and October 2011 respectively.

Lee Cheng Fei began his career with Cheng Hua Engineering Works Sdn Bhd as Application Engineer from 2010 to 2018 where he was responsible for providing material handling solutions to customers in the automotive assemblies division.

In 2018, he set up Cropmate Fertilizer with his brother, Lee Cheng Seng. He was instrumental in the set-up of the business operations of the company where he gained valuable experience in the operations of fertiliser business and assumed his current responsibilities of our Group.

As at the LPD, Lee Cheng Fei also sits on the board of several private limited companies in Malaysia, details of which are set out in **Section 5.2.3** of this Prospectus.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

(v) **Tengku Faradiza Binti Tengku Baharuddin**  
Independent Non-Executive Director

Tengku Faradiza Binti Tengku Baharuddin, a Malaysian, aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 1 October 2023 and is an affiliate of the Institute of Corporate Directors Malaysia since 2019. She is the Chairperson of our Remuneration Committee and a member of our Audit and Risk Management Committee and Nominating Committee.

Tengku Faradiza Binti Tengku Baharuddin obtained her Bachelor of Economic and Social Studies in Accountancy from University of Wales, College of Cardiff, United Kingdom in 1991. She is a Certified Credit Professional since 2002. In 2021, she was admitted as a chartered member of the Chartered Professional in Islamic Finance. In 2024, she was qualified as a Chartered Banker under Asian Institute of Chartered Bankers and awarded as an associate member of Certified Practising Accountant Australia.

She began her career in Malayan Banking Berhad ("**Maybank**") in the Human Resources Department as Graduate Trainee in 1991 where she was responsible for the remuneration and staff benefits. In 1992, she was subsequently transferred to the Marketing and Business Development Department as Officer where she was responsible for identifying potential customers and product proposition for commercial banking clients. Over the course of her tenure with Maybank, she was promoted several times and her last position held was as Senior Account Manager in the Enterprise Financial Services Group Department in 2005 where she was responsible for client relationship management and credit processing for corporate banking clients.

Subsequently, she left to join Deutsche Bank (Malaysia) Berhad ("**Deutsche**") as Vice President of Head SMI Lending & Housing Loan Department in 2005. During her tenure with Deutsche, she was promoted as director in Corporate Banking Coverage in 2012 where she was responsible for managing corporate relationships for multinational companies. In 2013, she was transferred to Deutsche Bank AG as director in International Islamic Banking Department where she was responsible in managing and setting up Islamic banking business. Subsequently, she took a career break from January 2015 to July 2015.

In August 2015, she joined OCBC Bank (Malaysia) Berhad as Vice President in Corporate Banking Department where she was responsible for managing corporate relationships for corporate clients in Malaysia.

In April 2016, she joined AmInvestment Bank Berhad as Senior Vice President, Wholesale Banking Coverage where she was responsible for leading the Government Linked Companies (GLC). In August 2017, she was transferred from AmInvestment Bank Berhad to AmBank (M) Berhad and maintained her position as Senior Vice President, Wholesale Banking Coverage. In October 2017, she left to join Kuwait Finance House (Malaysia) Berhad as Senior Vice President heading the Corporate Banking Division where she was responsible for developing and executing the yearly business plans as well as managing client relationships. Subsequently, she took a career break from October 2018 to August 2019.

In September 2019, she joined HSBC Amanah Malaysia Berhad ("**HSBC**") as Director, Head of Amanah (Islamic Banking), Global Banking and Markets. Throughout her tenure in HSBC, she heads the Islamic unit for HSBC Global Banking and Markets and is responsible for coordinating, origination and execution of activities across the spectrum of global banking, market products and services. Additionally, her role involves promoting sustainable financing in support of ESG initiatives. She will cease employment from HSBC in December 2024.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

As at the LPD, Tengku Faradiza Binti Tengku Baharuddin also sits on the board of other private limited company in Malaysia, details of which are set out in **Section 5.2.3** of this Prospectus.

**(vi) Chin Chew Lo**  
Independent Non-Executive Director

Chin Chew Lo, a Malaysian, aged 52, is our Independent Non-Executive Director. He was appointed to our Board on 1 October 2023. He is the Chairperson of our Audit and Risk Management Committee and a member of our Remuneration Committee and Nominating Committee.

Chin Chew Lo obtained his Bachelor of Accountancy from Universiti Utara Malaysia in 1997. He is a Chartered Accountant and has been a member of Malaysian Institute of Accountants since 2001.

He began his career in Seberang Distributors Sdn Bhd as Assistant Accountant in 1997, where he was responsible for the preparation of the management accounts. He left in 1998 to join Sony Technology Malaysia Sdn Bhd as Senior Accounting Officer where he was responsible for the preparation of the group accounts, including reviewing of accounting and internal control policies and procedures, analysing key performance indicators, preparing management reports and budgeting.

Subsequently, he left to join Brilliant Pattern Sdn Bhd (now known as Century Advance Technology Sdn Bhd) ("**BPSB**") as Accountant in 2001. He was responsible for the formation of policy and procedures for financial and accounts related matters and the establishment of costing report and budget. In 2004, upon internal restructuring of BPSB, he was transferred from BPSB to Century Total Logistics Sdn Bhd as Finance Manager where he was responsible for the financials and accounts of the warehouse and logistics division. In 2006, he left to join Li & Fung Retailing (Malaysia) Sdn Bhd as Finance and Administration Manager where he was in charge of producing management accounts and overseeing the monthly management reporting and preparation of budget, forecast and performance analysis.

In 2009, he left to join Hextar Chemicals Sdn Bhd as Group Financial Controller where he was responsible for managing group accounts, finance, human resource and information technology of the group. In 2011, he left to join Alstom Asia Pacific Sdn Bhd as Regional Controller, where he was in charge of overseeing the finance-related functions of the power plant division of the company in Asia Pacific region for 3 years. Subsequently in 2014, he left to join WWRC Malaysia Sdn Bhd as Group Chief Finance Officer where he was responsible for finance and accounting, human resources as well as information technology related matters of the group of companies in Southeast Asia. He was subsequently appointed as director of WWRC Malaysia Sdn Bhd, its subsidiaries and associate companies in 2021, where he also oversees the business of the group of companies. He was previously the joint company secretary for several subsidiaries and associate companies of WWRC group of companies in Malaysia.

As at the LPD, Chin Chew Lo also sits on the board of several private limited companies in Malaysia, details of which are set out in **Section 5.2.3** of this Prospectus.

**(vii) Yeo Shu Pin**  
Independent Non-Executive Director

Yeo Shu Pin, a Malaysian, aged 38, is our Independent Non-Executive Director. She was appointed to our Board on 1 October 2023. She is the Chairperson of our Nominating Committee and a member of our Remuneration Committee and Audit and Risk Management Committee.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

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Yeo Shu Pin obtained her Bachelor of Laws from Universiti Utara Malaysia in 2010. In 2011, she was admitted as an Advocate and Solicitor of the High Court of Malaya. She also obtained her Master of Laws from Universiti Malaya in 2015.

She began her career in Messrs Azmi & Associates and started her pupillage in 2010, where she was exposed to general corporate advisory, mergers and acquisitions, intellectual property and information technology. After being admitted as an Advocate and Solicitor in the High Court of Malaya in 2011, she continued practice in Messrs Azmi & Associates as Legal Associate until 2012.

She left to join InQpharm Sdn Bhd, a pharmaceutical company as Legal Associate in April 2012, where she was responsible for managing the trademark portfolio for several companies. She then left in August 2012 to take a career break to pursue her Masters of Law. In November 2013, she then joined Messrs Jeff Leong, Poon & Wong as Legal Assistant where she was exposed to general corporate advisory, mergers and acquisitions, intellectual property and information technology.

In 2016, she left to join Hong Leong Bank Berhad as Legal Manager where she was responsible for debt recovery for the Consumer Collection Department and advisory in banking and insolvency laws.

Subsequently, she joined Messrs Afif Rahman & Chong as Partner in 2018 where she was involved in various corporate advisory works which includes drafting and advising commercial contracts, mergers and acquisitions and construction contracts such as power purchase agreements and Engineering, Procurement, Construction, Commissioning (EPCC) contracts in relation to the renewable energy industry. In 2023, she was promoted to Managing Partner of the firm where she assumes her current responsibilities in addition to managing the firm.

As at the LPD, Yeo Shu Pin does not sit on the board of any private limited companies in Malaysia. Further details of her present involvement in partnership and past involvement in private limited companies outside our Group are set out in **Section 5.2.3** of this Prospectus.

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**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

**5.2.3 Principal directorships and principal business activities of our Directors outside our Group**

Save as disclosed below, none of our Directors have any principal directorships and/or shareholdings outside our Group and principal business activities performed outside our Group in the past 5 years up to the LPD:

(i) **Lau Yoon Kwai**

| Company  | Principal activities   | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
|--|--|------------------------|---------------------------------|---------------------|----------------------|--------------|
|  |  |                        |                                 |                     | Direct (%)           | Indirect (%) |
| <b><u>Present involvement</u></b><br>Khidmat Sumber Niaga Jaya | Business consultancy   | Sole proprietor        | -                               | -                   | -                    | -            |
| <b><u>Past involvement</u></b><br>Dream Tech Holding Sdn Bhd   | Other technology information service activities not elsewhere classified (“N.E.C.”); buying, selling, renting and operating of self-owned or leased real estate-land and advertising | Director               | 8 October 2018                  | 22 October 2020     | -                    | -            |
| Happy Noodles House Sdn Bhd                                    | Proprietor of restaurant ( <i>Disolved on 14 June 2019</i> )   | Director / Shareholder | 20 October 2015                 | -                   | 87.0                 | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company                           | Principal activities  | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
|-----------------------------------|---|------------------------|---------------------------------|---------------------|----------------------|--------------|
|                                   |   |                        |                                 |                     | Direct (%)           | Indirect (%) |
| Kia Media Sdn Bhd                 | Other technology activities; advertising; selling, renting and operating of self-owned or leased real estate-land information service N.E.C.; buying, | Director               | 25 October 2018                 | 22 October 2020     | -                    | -            |
| Lendframe Sdn Bhd                 | Dormant<br><i>(Dissolved on 14 June 2019)</i>   | Director / Shareholder | 8 September 2017                | -                   | 100.0                | -            |
| Moon Noodles Sdn Bhd              | Restaurant<br><i>(Dissolved on 5 May 2023)</i>  | Director               | 2 January 2017                  | -                   | -                    | -            |
| <b>(ii) Lee Chin Yok</b>          |   |                        |                                 |                     |                      |              |
| Company                           | Principal activities  | Position held          | Date of appointment as director | Date of resignation | Direct (%)           | Indirect (%) |
| <b><u>Present involvement</u></b> |   |                        |                                 |                     |                      |              |
| Ciptai Sdn Bhd                    | Property developers   | Director / Shareholder | 29 December 2010                | -                   | 25.0                 | -            |
| Ciptacon Sdn Bhd                  | Property developers / Investment holding  | Director / Shareholder | 3 November 2009                 | -                   | 30.0                 | -            |
| Lee Chin Yok                      | Agency for prediction of number (3D)  | Sole proprietor        | -                               | -                   | -                    | -            |
| Megan Sentosa Sdn Bhd             | Housing developers  | Director / Shareholder | 3 September 2002                | -                   | 50.0                 | -            |
| Super Nine Capital Sdn Bhd        | Letting out its property to derive rental income  | Director / Shareholder | 14 August 2007                  | -                   | 55.0                 | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| (iii) | Lee Cheng Seng | Company                            | Principal activities   | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
|-------|----------------|------------------------------------|--|------------------------|---------------------------------|---------------------|----------------------|--------------|
|       |                |                                    |  |                        |                                 |                     | Direct (%)           | Indirect (%) |
|       |                | <b><u>Present involvement</u></b>  |  |                        |                                 |                     |                      |              |
|       |                | Ciptai Sdn Bhd                     | Property developers  | Director / Shareholder | 29 December 2010                | -                   | 25.0                 | -            |
|       |                | Eastwing (M) Sdn Bhd               | Providing construction monitoring services and general trading/growing of other tropical and subtropical fruits N.E.C. | Director / Shareholder | 28 January 2011                 | -                   | 33.3                 | -            |
|       |                | Golden Fruits Farm Enterprise      | Fruits planting and fruits trading   | Partner                | -                               | -                   | -                    | -            |
|       |                | LCS Agriculture                    | Sell fruits and pesticide  | Sole proprietor        | -                               | -                   | -                    | -            |
|       |                | Super Nine Capital Sdn Bhd         | Letting out its property to derive rental income   | Director / Shareholder | 14 August 2007                  | -                   | 15.0                 | -            |
|       |                | <b><u>Past involvement</u></b>     |  |                        |                                 |                     |                      |              |
|       |                | Yilida Malaysia Ventilator Sdn Bhd | Manufacture of air-conditioning machines, including for motor vehicles   | Director               | 14 January 2020                 | 10 March 2023       | -                    | -            |
|       |                | Premier Fruits                     | Sell fruits and agricultural products  | Partner                | -                               | 3 April 2024        | -                    | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company   | Principal activities  | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
|---|---|------------------------|---------------------------------|---------------------|----------------------|--------------|
|   |   |                        |                                 |                     | Direct (%)           | Indirect (%) |
| Cropmate Trading Sdn Bhd                                  | Export and import of fertilisers and agrochemical products/ manufacture of fertilisers/ wholesale of fertilisers and agrochemical products<br><i>(Dissolved on 4 October 2023)</i>      | Director / Shareholder | 29 October 2019                 | -                   | 50.0                 | -            |
| SHB Capital Sdn Bhd                                       | Real estate activities with own or leased property N.E.C. / buying, selling, renting and operating of self-owned or leased real estate - land<br><i>(Dissolved on 22 November 2023)</i> | Director / Shareholder | 29 June 2022                    | -                   | 25.0                 | -            |
| <b>(iv) Lee Cheng Fei</b>                                 |   |                        |                                 |                     |                      |              |
| Company   | Principal activities  | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
| <b><u>Present involvement</u></b><br>Eastwing (M) Sdn Bhd | Providing construction monitoring services and general trading/ growing of other tropical and subtropical fruits N.E.C.   | Director / Shareholder | 24 December 2013                | -                   | 33.3                 | -            |



**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company  | Principal activities   | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
|--|--|------------------------|---------------------------------|---------------------|----------------------|--------------|
|  |  |                        |                                 |                     | Direct (%)           | Indirect (%) |
| Super Nine Capital Sdn Bhd                         | Letting out its property to derive rental income   | Director / Shareholder | 18 March 2014                   | -                   | 15.0                 | -            |
| <b><u>Past involvement</u></b>                     |  |                        |                                 |                     |                      |              |
| Yilida Malaysia Ventilator Sdn Bhd                 | Manufacture of air-conditioning machines, including for motor vehicles   | Director               | 14 January 2020                 | 10 March 2023       | -                    | -            |
| Cropmate Trading Sdn Bhd                           | Export and import of fertilisers and agrochemical products/ manufacture of fertilisers/ wholesale of fertilisers and agrochemical products<br><i>(Dissolved on 4 October 2023)</i> | Director / Shareholder | 29 October 2019                 | -                   | 50.0                 | -            |
| <b>(v) Tengku Faradiza Binti Tengku Baharuddin</b> |  |                        |                                 |                     |                      |              |
| Company  | Principal activities   | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
| <u>Present involvement</u>                         |  |                        |                                 |                     | Direct (%)           | Indirect (%) |
| PCA Capital Market Sdn Bhd                         | Financial consultancy services   | Director               | 15 March 2024                   | -                   | -                    | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company                               | Principal activities   | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
|---------------------------------------|--|------------------------|---------------------------------|---------------------|----------------------|--------------|
|                                       |  |                        |                                 |                     | Direct (%)           | Indirect (%) |
| <b><u>Past involvement</u></b>        |  |                        |                                 |                     |                      |              |
| PCA Capital Market Sdn Bhd            | Financial consultancy services   | Director               | 4 September 2023                | 3 October 2023      | -                    | -            |
| Fara & Partners Service Station       | Oil station and service ( <i>Business expired on 24 June 2020</i> )                | Partner                | -                               | -                   | -                    | -            |
| <b>(vi) Chin Chew Lo</b>              |  |                        |                                 |                     |                      |              |
| <b><u>Present involvement</u></b>     |  |                        |                                 |                     |                      |              |
| WWRC Malaysia Sdn Bhd                 | Trading in resins and chemical products  | Director / Shareholder | 16 April 2021                   | -                   | 0.1                  | -            |
| WWRC Holdings Sdn Bhd                 | Dormant  | Director               | 27 April 2021                   | -                   | -                    | -            |
| WWRC Properties Holding Sdn Bhd       | Property investment holding  | Director / Shareholder | 25 April 2022                   | -                   | 10.5                 | -            |
| WWRC Ingredients (Thailand) Co., Ltd. | Trading of chemical products   | Director               | 7 October 2020                  | -                   | -                    | -            |
| Ray Go Solar Holdings Berhad          | Activities of holding companies involved in providing solar photovoltaic solutions | Director               | 5 July 2024                     | -                   | -                    | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company                                      | Principal activities  | Position held | Date of appointment as director | Date of resignation | Equity interest held |              |
|--|---|---------------|---------------------------------|---------------------|----------------------|--------------|
|  |   |               |                                 |                     | Direct (%)           | Indirect (%) |
| <u>Subsidiaries of WWRC Malaysia Sdn Bhd</u> |   |               |                                 |                     |                      |              |
| WWRC Ingredients Sdn Bhd                     | Trading in ingredients for food and personal care products                | Director      | 16 April 2021                   | -                   | -                    | -            |
| WWRC Specialties Sdn Bhd                     | Trading in resins and chemical products                                   | Director      | 16 April 2021                   | -                   | -                    | -            |
| WWRC Urethanes Sdn Bhd                       | Trading in resins and chemical products                                   | Director      | 23 March 2021                   | -                   | -                    | -            |
| TS DIF Worldwide Sdn Bhd                     | Property investment holding   | Director      | 27 December 2021                | -                   | -                    | -            |
| <u>Associates of WWRC Malaysia Sdn Bhd</u>   |   |               |                                 |                     |                      |              |
| BRB Properties Sdn Bhd                       | Property holding and property development                                 | Director      | 20 October 2014                 | -                   | -                    | -            |
| Stallion Chemicals (Malaysia) Sdn Bhd        | Trading in resins and chemical products                                   | Director      | 7 June 2022                     | -                   | -                    | -            |
| Tuck Sun Logistics Sdn Bhd                   | Forwarding agents, providing of haulage, freight and warehousing services | Director      | 27 March 2017                   | -                   | -                    | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company  | Principal activities                                 | Position held | Date of appointment as director | Date of resignation | Equity interest held |              |
|--|--|---------------|---------------------------------|---------------------|----------------------|--------------|
|  |  |               |                                 |                     | Direct (%)           | Indirect (%) |
| <u>Subsidiaries of WWRC Properties Holding Sdn Bhd</u> |  |               |                                 |                     |                      |              |
| Worldwide Karibuni Sdn Bhd                             | Property investment holding and property development | Director      | 12 April 2022                   | -                   | -                    | -            |
| Worldwide Yu Properties Sdn Bhd                        | Property investment holding and property development | Director      | 26 April 2022                   | -                   | -                    | -            |
| <u>Subsidiary of Tuck Sun Logistics Sdn Bhd</u>        |  |               |                                 |                     |                      |              |
| DIF Logistics (M) Sdn Bhd                              | Warehousing and distribution of goods                | Director      | 15 January 2019                 | -                   | -                    | -            |
| <u>Past involvement</u>                                |  |               |                                 |                     |                      |              |
| App Lab Sdn Bhd  | Business of software development                     | Director      | 5 August 2016                   | 15 April 2021       | -                    | -            |
| Go E-Merge Sdn Bhd                                     | Digital marketing                                    | Director      | 5 April 2021                    | 28 July 2022        | -                    | -            |
| <b>(vii) Yeo Shu Pin</b>                               |  |               |                                 |                     |                      |              |
| Company  | Principal activities                                 | Position held | Date of appointment as director | Date of resignation | Equity interest held |              |
|  |  |               |                                 |                     | Direct (%)           | Indirect (%) |
| <u>Present involvement</u>                             |  |               |                                 |                     |                      |              |
| Afif Rahman & Chong                                    | Law firm   | Partner       | -                               | -                   | 45.0                 | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company   | Principal activities  | Position held | Date of appointment as director | Date of resignation | Equity interest held |              |
|---|---|---------------|---------------------------------|---------------------|----------------------|--------------|
|   |   |               |                                 |                     | Direct (%)           | Indirect (%) |
| <b><u>Past involvement</u></b><br>EC Newenergie Sdn Bhd | <ol style="list-style-type: none"> <li>1. Developing, installing, providing and maintaining solar photovoltaic system and battery energy storage system.</li> <li>2. Consultancy for the development, management, designing, integration, improvement and construction of all kinds of solar photovoltaic system and battery energy storage system.</li> <li>3. Manufacturing of equipment/ component/device related to solar, photovoltaic system and battery energy storage system</li> </ol> | Director      | 1 September 2022                | 23 March 2023       | -                    | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

| Company         | Principal activities   | Position held | Date of appointment as director | Date of resignation | Equity interest held |              |
|-----------------|--|---------------|---------------------------------|---------------------|----------------------|--------------|
|                 |  |               |                                 |                     | Direct (%)           | Indirect (%) |
| Twin Re Sdn Bhd | Wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles; activities of holding companies; buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings | Director      | 8 August 2022                   | 23 March 2023       | -                    | -            |

The involvement of our Directors in the above business activities outside our Group will not affect their contributions to our Group and does not give rise to any conflict of interest or potential conflict of interest situation with our business, as:

- (a) our Non-Executive Directors are not involved in the day-to-day operations of our Group. Their involvement in the business activities outside our Group will not affect their contributions to our Group as the principal activities of these companies are not similar to our Group's business nor are they customers or suppliers to our Group; and
- (b) our Executive Directors' involvement in business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors (where applicable) on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management. Further, their involvement in the business activities outside our Group will not affect their contributions to our Group as the principal activities of these companies are not similar to our Group's business nor are they customers or suppliers to our Group, save for those as disclosed in **Section 10.1.1** of this Prospectus.

As such, our Board is of the view that although they are involved in other businesses as set out above, they are able to devote sufficient time and attention to the affairs of our Group to carry out their respective duties.

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

**5.2.4 Remuneration and material benefits-in-kind of our Directors**

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2023 and FYE 2024 are as follows:

**FYE 2023 (paid)**

| Director                                | Directors' Fees |        | Salaries | Bonuses | Contributions to Employees Provident Fund and Social Security Organisation |        | Allowances | Benefits in-kind |        | Total |
|---|-----------------|--------|----------|---------|--|--------|------------|------------------|--------|-------|
|   | RM'000          | RM'000 |          |         | RM'000   | RM'000 |            | RM'000           | RM'000 |       |
| <b><u>Executive Directors</u></b>       |                 |        |          |         |  |        |            |                  |        |       |
| Lee Chin Yok                            | -               |        | 660      | 68      | 33   | -      | -          | 41               |        | 802   |
| Lee Cheng Seng                          | -               |        | 190      | 98      | 55   | 38     | 38         | 37               |        | 418   |
| Lee Cheng Fei                           | -               |        | 190      | 98      | 55   | 38     | 38         | 24               |        | 405   |
| <b><u>Non-Executive Directors</u></b>   |                 |        |          |         |  |        |            |                  |        |       |
| Lau Yoon Kwai                           | 6               |        | -        | -       | -  | 1      | 1          | -                |        | 7     |
| Tengku Faradiza Binti Tengku Baharuddin | 5               |        | -        | -       | -  | 1      | 1          | -                |        | 6     |
| Chin Chew Lo                            | 5               |        | -        | -       | -  | 1      | 1          | -                |        | 6     |
| Yeo Shu Pin                             | 5               |        | -        | -       | -  | 1      | 1          | -                |        | 6     |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

**Proposed for FYE 2024**

| Director                                | Directors' Fees |        | Salaries | <sup>(1)</sup> Bonuses | Contributions to Employees Provident Fund and Social Security Organisation |        | Allowances | Benefits in-kind |        | Total |
|---|-----------------|--------|----------|------------------------|--|--------|------------|------------------|--------|-------|
|   | RM'000          | RM'000 |          |                        | RM'000   | RM'000 |            | RM'000           | RM'000 |       |
| <b><u>Executive Directors</u></b>       |                 |        |          |                        |  |        |            |                  |        |       |
| Lee Chin Yok                            | -               | -      | 660      | -                      | 33   | -      | -          | 41               | 734    |       |
| Lee Cheng Seng                          | -               | -      | 190      | -                      | 55   | 38     | 37         | 320              |        |       |
| Lee Cheng Fei                           | -               | -      | 190      | -                      | 55   | 38     | 24         | 307              |        |       |
| <b><u>Non-Executive Directors</u></b>   |                 |        |          |                        |  |        |            |                  |        |       |
| Lau Yoon Kwai                           | 28              | -      | -        | -                      | -  | 2      | -          | 30               |        |       |
| Tengku Faradiza Binti Tengku Baharuddin | 21              | -      | -        | -                      | -  | 2      | -          | 23               |        |       |
| Chin Chew Lo                            | 21              | -      | -        | -                      | -  | 2      | -          | 23               |        |       |
| Yeo Shu Pin                             | 21              | -      | -        | -                      | -  | 2      | -          | 23               |        |       |

**Note:**

(1) Does not include any bonuses to be declared in December 2024.

The remuneration which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given.



## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.3 BOARD PRACTICES

#### 5.3.1 Board

Our Board is committed to inculcating good corporate governance practices in our Group from time to time in accordance with the practices and guidance based on the MCCG. Our Board believes that corporate governance is extremely important to the success of our Group's business.

Our Board has the overall responsibility for the long-term success of our Group and delivery of sustainable value to our stakeholders. Our Board must act with integrity, lead by example, keep abreast of his/her responsibilities as a Director and of the conduct, business activities and development of our Company. In discharging its fiduciary duties and responsibilities, our Board has adopted a charter which sets out, among others, the following:

- (i) together with senior management, promoting good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;
- (ii) reviewing and setting a strategic plan for our Group to ensure that the strategic and business plan of our Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (iii) reviewing, challenging and deciding on management's proposals for our Group, and monitoring its implementation by management;
- (iv) overseeing the conduct of our Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business of our Group;
- (v) identifying the principal risks and ensuring implementation of a sound framework of internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to shareholders;
- (vi) reviewing the effectiveness of the risk management and internal control system;
- (vii) set the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (viii) ensuring there is an orderly succession for the positions of senior management positions who are of high talent and have the necessary skills and experience. Our Board delegates to our Nominating Committee and Remuneration Committee to review succession plans and remuneration packages for our Directors respectively- as well as our Group's policies and procedures on remuneration for employees of our Group. Our Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
- (ix) developing and implementing an investor relations programme or shareholders' communications policy for our Group to enable effective communication with stakeholders;
- (x) reviewing and approving financial statements which includes annual audited accounts and quarterly reports;
- (xi) reviewing and approving our Audit and Risk Management Committee, Nominating Committee and Remuneration Committee reports at the end of each financial year;

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

- (xii) reviewing and approving our Company's annual report;
- (xiii) ensuring the integrity of our Company's financial and non-financial reporting;
- (xiv) undertaking a formal and objective annual evaluation to determine the effectiveness of our Board, our Board committees and each individual Director;
- (xv) ensure a collaborative and constructive relationship between our Board and senior management; and
- (xvi) ensure that our Group adheres to highest standard of ethical conduct, integrity and accountability in all business activities and operations and this include adopting a zero tolerance policy towards any form of bribery and corruption.

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office are as follows:

| <u>Name</u>                             | <u>Age</u> | <u>Designation</u>                 | <u>Date of appointment as Director</u> | <u>Date of expiration of the current term in office</u> | <u>Approximate no. of years in office as at LPD</u> |
|---|------------|------------------------------------|--|---|---|
| Lau Yoon Kwai                           | 59         | Independent Non-Executive Chairman | 1 October 2023                         | At the AGM in the year of 2026                          | About 1 year  |
| Lee Chin Yok                            | 64         | Managing Director                  | 11 September 2023                      | At the AGM in the year of 2025                          | About 1 year  |
| Lee Cheng Seng                          | 40         | Non-Independent Executive Director | 1 October 2023                         | At the AGM in the year of 2026                          | About 1 year  |
| Lee Cheng Fei                           | 36         | Non-Independent Executive Director | 1 October 2023                         | At the AGM in the year of 2027                          | About 1 year  |
| Tengku Faradiza Binti Tengku Baharuddin | 56         | Independent Non-Executive Director | 1 October 2023                         | At the AGM in the year of 2025                          | About 1 year  |
| Chin Chew Lo                            | 52         | Independent Non-Executive Director | 1 October 2023                         | At the AGM in the year of 2027                          | About 1 year  |
| Yeo Shu Pin                             | 38         | Independent Non-Executive Director | 1 October 2023                         | At the AGM in the year of 2027                          | About 1 year  |

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.3.2 Audit and Risk Management Committee

The current members of our Audit and Risk Management Committee are as follows:

| <u>Name</u>                             | <u>Position</u> | <u>Directorship</u>                |
|---|-----------------|------------------------------------|
| Chin Chew Lo                            | Chairperson     | Independent Non-Executive Director |
| Yeo Shu Pin                             | Member          | Independent Non-Executive Director |
| Tengku Faradiza Binti Tengku Baharuddin | Member          | Independent Non-Executive Director |

The key duties and responsibilities of our Audit and Risk Management Committee are, among others, the following:

#### (A) Financial Reporting

- (a) To review the quarterly results and the annual financial statements of our Group, before submission to the Board for approval, focusing particularly on:
  - (i) changes in or implementation of new or major accounting policies and practices;
  - (ii) significant matters highlighted including financial reporting issues, significant judgment made by management, significant and unusual events or transactions and how these matters are addressed;
  - (iii) significant adjustment arising from the audit;
  - (iv) major judgmental areas;
  - (v) the going concern assumption; and
  - (vi) compliance with the applicable approved accounting standards, regulatory and other legal requirements.
- (b) To review and provide advice on whether the financial statements taken as a whole, provide a true and fair view of the Company's financial position and performance.
- (c) To ensure that the financial statements are consistent with operational and other information, where there are significant matters requiring judgment.

#### (B) External Auditors

- (a) To consider and recommend to the Board on the appointment or re-appointment of external auditors and to fix their fees (audit and non-audit services), after assessing their independence and capabilities as well as the effectiveness of the external audit process and their services.
- (b) To review the following and report the same to the Board:
  - (i) letter of resignation from the external auditors or proposal for their dismissal, including a copy of any written representations or statement of circumstances in relation with the resignation made by the external auditors, if applicable; and

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

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- (ii) whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.
- (c) To assess the suitability, objectivity and independence of the external auditors on an annual basis based on established policies and procedures and the annual performance evaluation of the external auditors undertaken by the Audit and Risk Management Committee. The policies and procedures should include the following considerations:
  - (i) criteria to decide on the appointment and re-appointment of the external auditors. The criteria should include an assessment of the competence, audit quality and resource capacity of the external auditors in relation to the audit. The assessment should also consider the information as presented in the annual transparency report of the audit firm. If the annual transparency report is not available, the Audit and Risk Management Committee may engage the audit firm on matters typically covered in an Annual Transparency Report, including the audit firm's governance and leadership structure as well as measures undertaken by the firm to uphold audit quality and manage risks;
  - (ii) the appropriateness of audit fees to support a quality audit;
  - (iii) non-audit services must be approved by the Audit and Risk Management Committee before they are rendered by the external auditors and its affiliates while taking into account the nature and external of the non-audit services and the appropriateness of the level of fees;
  - (iv) obtain written assurance from the external auditors confirming that they are and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and
  - (v) conduct an annual evaluation on the performance of the external auditors by the management and the Audit and Risk Management Committee.
- (d) To review the following with the external auditors and report the same to the Board:
  - (i) audit plan, its scope and nature;
  - (ii) audit report;
  - (iii) evaluation of the system of internal controls;
  - (iv) the assistance given by the employees to the external auditors, including any difficulties or disputes with management encountered during audit; and
  - (v) external auditors' management letter and management's response thereto.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

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### (C) Internal Audit

- (a) To review the adequacy of the scope, resources and budget of the internal audit function, and that it has the necessary authority to carry out its work.
- (b) To review the internal audit plan, programme and the reporting structure.
- (c) To review the findings of the internal auditor's reports, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors.
- (d) To review the appraisal or evaluation on the performance of the internal audit function on an annual basis.
- (e) To ensure the internal auditors are given full access to all the documents relating to the governance, financial statements and operational assessments of our Group.
- (f) To take cognizance of resignations of internal audit staff members (for in-house internal audit function) or the audit service provider (for outsourced internal audit) and provide the resigning staff member or the internal audit service provider an opportunity to submit the reasons for resigning.
- (g) To review any special audit which the Audit and Risk Management Committee deems necessary.

### (D) Risk Management and Internal Control

- (a) To establish an adequate and effective Group's risk management and internal control framework.
- (b) To review and assess our Group's level of risk appetite and risk tolerance.
- (c) To review the risk management framework, policies and process, including identifying, managing, monitoring and mitigating the significant risks of our Group, and recommend for approval by the Board.
- (d) To review significant risks identified (including operational, financial, regulatory compliance, cyber security, sustainability and reputational risks) and assess the mitigating actions put in place to manage these risks.
- (e) To review the adequacy of resources for managing the risk management and internal control framework.

### (E) Related Party Transactions, Recurrent Related Party Transactions and Conflict of Interest

- (a) To establish comprehensive procedures for identifying, evaluating, approving reporting related party transactions and recurrent related party transactions, and monitoring conflict of interest situations.
- (b) To review and establish whether all recurrent related party transactions have been carried out in accordance with the mandate approved by the shareholders and are on commercial terms not more favourable to the related parties than those available to the public.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

- (c) To review all non-recurring transactions or corporate proposals involving related parties, to ensure that they are in the best interest of the Company and are not detrimental to the minority shareholders.
- (F) Others
- (a) To review financial related reports, statement on risk management and internal control, corporate governance statement as required by the Listing Requirements for inclusion in the annual report.
- (b) To verify allocation of units of options issued pursuant to the various incentive or retention scheme implemented by our Group, if any.
- (c) To obtain regular updates from the management regarding compliance matters.
- (d) To review regulatory and compliance reports and any other reports within the purview of the Audit and Risk Management Committee.
- (e) To periodically review the adequacy and appropriateness of anti-bribery and corruption policy, and whistleblowing policy.
- (f) To carry out any other functions that may be mutually agreed upon by the Audit and Risk Management Committee and the Board.

### 5.3.3 Remuneration Committee

The current members of our Remuneration Committee are as follows:

| <u>Name</u>                             | <u>Position</u> | <u>Directorship</u>                |
|---|-----------------|------------------------------------|
| Tengku Faradiza Binti Tengku Baharuddin | Chairperson     | Independent Non-Executive Director |
| Chin Chew Lo                            | Member          | Independent Non-Executive Director |
| Yeo Shu Pin                             | Member          | Independent Non-Executive Director |

The key duties and responsibilities of our Remuneration Committee are, among others, the following:

- (a) To implement Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and Key Senior Management and recommend to the Board for approval.
- (b) In determining the remuneration packages of Directors and Key Senior Management, the Remuneration Committee should take into consideration the following:
- (i) qualification and professionalism;
  - (ii) technical competency, skills expertise and experience;
  - (iii) roles and responsibilities; and
  - (iv) aligned with the business and risks strategies, and long-term objectives of our Group.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

- (c) To review policies and procedures on remuneration of Directors and Key Senior Management, to ensure that the remuneration packages are determined on the basis of the individual's merit, qualification and competence, after taking into consideration the complexity of our Group's business and performance, the individual's responsibilities, comparable market statistics, and their roles in addressing the Company's material sustainability risks and opportunities and achieving sustainability targets.
- (d) To review compensation policy of Directors and Key Senior Management and ensure the compensations offered are in line with market practice.
- (e) To ensure fees and benefits payable to Directors, and any compensation for loss of employment of Managing or Executive Directors are approved by shareholders at general meeting.
- (f) To recommend to the Board any performance related pay scheme for the Company or Group.
- (g) To recommend to the Board on the appointment of experts or consultants, where necessary to fulfil its responsibilities.
- (h) To oversee any major changes in employee remuneration and benefit structures throughout our Group.
- (i) To carry out other responsibilities, functions or assignments as may be delegated by the Board from time to time.

### 5.3.4 Nominating Committee

The current members of our Nominating Committee are as follows:

| <b>Name</b>                             | <b>Position</b> | <b>Directorship</b>                |
|---|-----------------|------------------------------------|
| Yeo Shu Pin                             | Chairperson     | Independent Non-Executive Director |
| Chin Chew Lo                            | Member          | Independent Non-Executive Director |
| Tengku Faradiza Binti Tengku Baharuddin | Member          | Independent Non-Executive Director |

The key duties and responsibilities of our Nominating Committee are, among others, the following:

- (a) To identify, consider and recommend to the Board, suitable candidates for appointment as Directors taking into consideration the Company's Fit and Proper Policy. The Nominating Committee does not solely rely on recommendations from the existing Board members, management or major shareholders, but shall also utilise independent sources to identify suitably qualified candidates. In making the recommendations, the Nominating Committee shall:
  - (i) assess the candidates' expertise, skills, knowledge, experience, professionalism, commitment, contribution, performance, integrity, competence and character;
  - (ii) consider Board diversity including age and gender;

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

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- (iii) in the case of candidates for the position of Independent Non-Executive Directors, evaluate the candidates' ability to discharge such responsibilities or functions as are expected from Independent Non-Executive Directors; and
- (iv) in the case of candidates filing seats in respect of the Audit and Risk Management Committee in particular, to ensure the candidate is financially literate and possesses a wide range of necessary skills to discharge his/her duties.

If the selection of candidates was solely based on recommendations made by existing Board, management or major shareholders, the Nominating Committee should explain why other sources were not used.

- (b) To recommend to the Board the re-election of Directors who retire by rotation pursuant to the Constitution of the Company and re-appointment of Directors who retire pursuant to relevant sections of the Companies Act 2016.
- (c) To assess and recommend for the approval by the Board, new and re-appointed nominees, (where applicable) for directorship, chairmanship and/or membership to the respective board committee.
- (d) To recommend to the Board any appointment, cessation, suspension, dismissal and/or any staff movement including re-designation, re-deployment, transfer or secondment of senior management of our Group.
- (e) To assess and review on an annual basis the performance and effectiveness of the Board as a whole, board committees, and the contribution of each individual Directors and Chief Executive Officer to ensure that the Board has the required mix of skills, qualifications, experience, gender diversity, commitment and other qualities, including core competencies which they should possess in order to serve the Board effectively and efficiently. All assessments and evaluation carried out by the Nominating Committee in the discharge of its duties shall be disclosed in the Annual Report.
- (f) To review the tenure of each director and ensure that the annual re-election of a director is based on satisfactory evaluation of the Director's performance and contribution to the Board.
- (g) To evaluate and review the performance of the Board and senior management including the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities.
- (h) To review and assess the independence of Independent Non-Executive Directors on an annual basis and that the Directors meet the identified independence criteria and are not disqualified under the relevant regulations.
- (i) To assess and recommend to the Board, the independent directors' potentiality in the event of retaining them as independent directors after serving in that capacity for a cumulative term of nine (9) years.
- (j) To review Board and senior management succession plans and overseeing the development of a diverse pipeline for Board and management succession, including the future Chairman, Managing Director/Chief Executive Officer and/or Executive Directors.
- (k) To review periodically the job descriptions of Managing director and/or Executive Directors and senior management.



**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

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- (l) To consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of our Group.
- (m) To ensure the Board composition is refreshed periodically contingent upon satisfactory evaluation of directors' performance and contribution to the Board.
- (n) To ensure the Board shall at least, have one (1) woman director pursuant to Rule 15.02 (1)(b) of the Listing Requirements while pursuing the target of at least 30% women Directors and to review the participation of women in senior management to ensure there is healthy talent pipeline.
- (o) To facilitate Board Induction Programme and training for newly appointed Directors.
- (p) To review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning our Group.
- (q) To identify suitable educational and training programmes for continuous development of Directors to ensure the Directors keep abreast with development in the industry, regulatory changes and Board business trends.
- (r) To review annually the term of office, effectiveness and performance of the Audit and Risk Management Committee and each of its members to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with their terms of reference.
- (s) To consider and examine such matters as the Nominating Committee considers appropriate.
- (t) To carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.
- (u) To review the attendance of the Board and Board Committee(s) meeting.

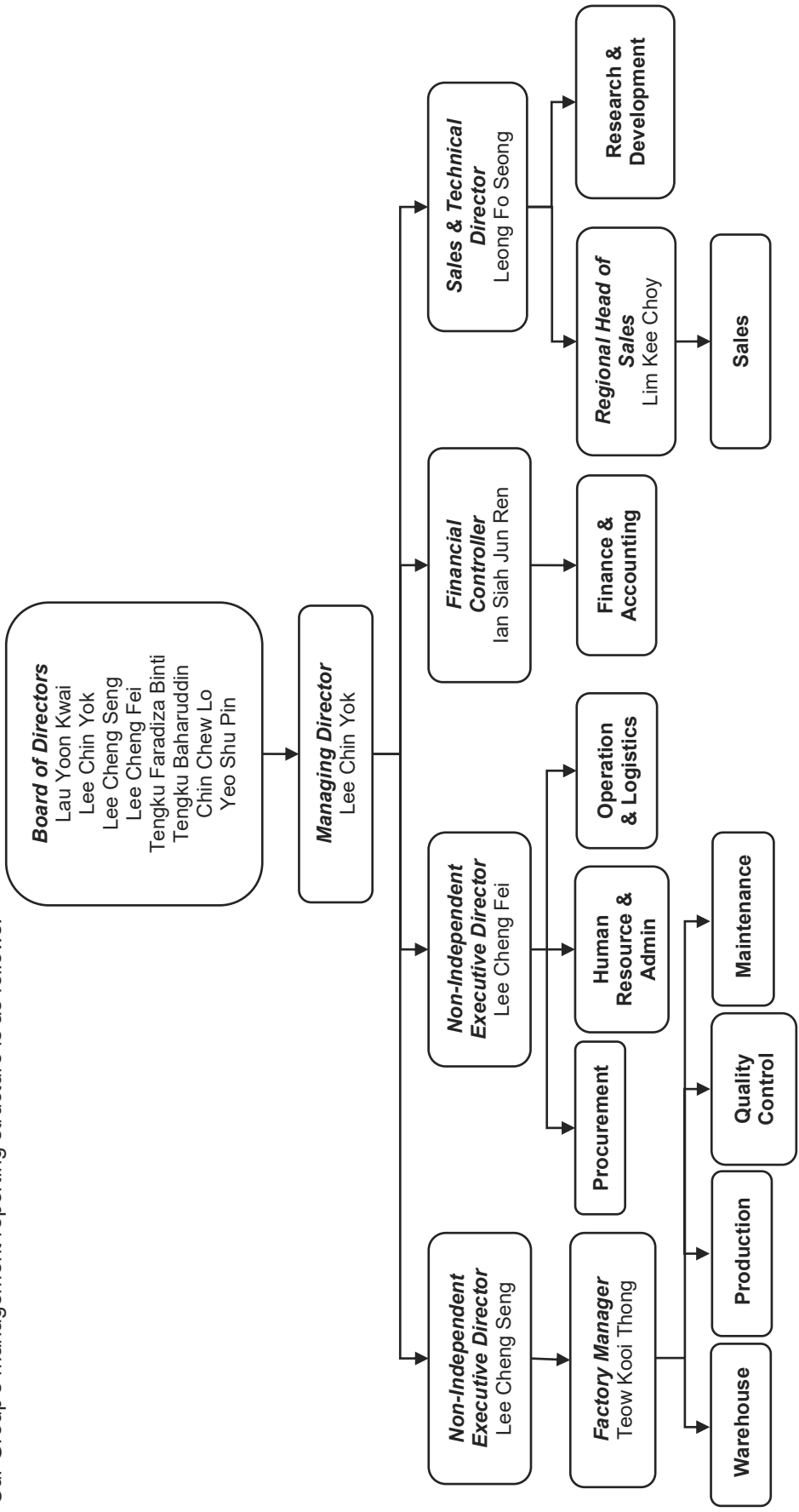
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5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

5.4 KEY SENIOR MANAGEMENT

5.4.1 Management Reporting Structure

Our Group's management reporting structure is as follows:



## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4.2 Key Senior Management's shareholdings

The details of Lee Chin Yok, Lee Cheng Seng and Lee Cheng Fei's shareholdings are set out in **Section 5.2.1** of this Prospectus, and our other Key Senior Management and their respective shareholdings in our Company before our IPO (after completion of the Pre-IPO Exercise) and after our IPO (assuming full subscription of the IPO Shares allocated for our Key Senior Management under the Pink Form Allocation) are as follows:

| Name             | Designation                  | Nationality | As at the LPD |      |               |      | After our IPO |          |               |      |
|------------------|------------------------------|-------------|---------------|------|---------------|------|---------------|----------|---------------|------|
|                  |                              |             | Direct        |      | Indirect      |      | Direct        | Indirect |               |      |
|                  |                              |             | No. of Shares | (1)% | No. of Shares | (1)% | No. of Shares | (2)%     | No. of Shares | (2)% |
| Leong Fo Seong   | Sales and Technical Director | Malaysian   | -             | -    | -             | -    | 350,000       | *        | -             | -    |
| Ian Siah Jun Ren | Financial Contoller          | Malaysian   | -             | -    | -             | -    | 850,000       | 0.1      | -             | -    |
| Lim Kee Choy     | Regional Head of Sales       | Malaysian   | -             | -    | -             | -    | 400,000       | *        | -             | -    |
| Teow Kooi Thong  | Factory Manager              | Malaysian   | -             | -    | -             | -    | 375,000       | *        | -             | -    |

#### Notes:

(1) Based on the total number of 528,000,000 Shares after completion of the Pre-IPO Exercise.

(2) Based on the enlarged number of 738,000,000 Shares after our IPO.

\* Less than 0.1%

Subject to the clawback and reallocation provisions as set out in **Section 4.2.5** of this Prospectus, our Key Senior Management may also apply for Excess Shares on top of their pre-determined allocation under the Pink Form Allocation.

## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4.3 Profiles of our Key Senior Management

The profiles of Lee Chin Yok, Lee Cheng Seng and Lee Cheng Fei are set out in **Sections 5.2.2(ii), (iii) and (iv)** of this Prospectus, and profiles of our other Key Senior Management are as follows:

**(i) Leong Fo Seong**  
Sales and Technical Director

Leong Fo Seong, a Malaysian, aged 59, is the Sales and Technical Director of our Company. He is responsible for the sales and marketing as well as the research and development department for our Group which covers new product developments and providing technical advice on fertilisers of our Group. He is also involved in analysing soil conditions, evaluating the nutrient analysis of fertilisers and prescribing the fertiliser formulation mix for plants.

Leong Fo Seong completed his Sijil Tinggi Persekolahan Malaysia (STPM) from Sekolah Menengah Kebangsaan King George V, Seremban in 1985. He obtained his Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom accredited by the European Marketing Confederation in 1995. Subsequently, he obtained his Executive Diploma in Plantation Management from Universiti Malaya, Malaysia in 2007. He is presently a member of the Incorporated Society of Planters since 1987 which was established for the development and advancement of the professional interest in the plantation industry.

Leong Fo Seong started his career as Cadet Assistant in The United Malacca Rubber Estates Berhad (now known as United Malacca Berhad) in 1986, where he was responsible in assisting the estate manager in managing the plantation including the operating activities such as pest control and fertiliser program as well as cultivation of various crops such as rubber and oil palm. In 1990, he left to join Behn Meyer & Co (M) Sdn Bhd as Techno-Commercial Executive, where he was involved in sales and marketing of fertilisers and agrochemical products, as well as providing technical support to customers such as fertiliser application program, pest control measures and educating customers on proper usage of agrochemical products as well as correct fertiliser applications. Having gained significant experience in the fertiliser industry, he left in 1996 to join Kemira Sdn Bhd as Marketing Executive where he was responsible for sales and marketing of fertilisers as well as providing technical assistance to fertiliser distributors from Malaysia. In 2000, he left to set up Agro-Axis Sdn Bhd with a partner where he was involved in the wholesale of fertilisers and agrochemical products. Subsequently, the company was dissolved in 2020. In 2003, he then founded Forest Bioscent Sdn Bhd ("**FBSB**") which is involved in formulations and blending of fertilisers as well as trading of fertilisers. Subsequently, he resigned as director of FBSB in August 2023.

In September 2023, he joined our Group as our Sales and Technical Director where he assumed his current responsibilities.

**(ii) Ian Siah Jun Ren**  
Financial Controller

Ian Siah Jun Ren, a Malaysian, aged 34, is the Financial Controller of our Company. He is responsible for reviewing the overall financial performance of our Group as well as preparing the financial and management reports of our Group.

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

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Ian Siah Jun Ren obtained his Bachelor of Accounting from Universiti Teknologi Malaysia in 2013. He is a Chartered Accountant and has been a member of the Malaysian Institute of Accountants since 2018. He has also been a member of the Association of Chartered Certified Accountants since 2016 and was admitted as a Fellow in 2021.

Ian Siah Jun Ren began his career as Audit Associate in KPMG PLT in 2013, where he was responsible for assisting the manager in executing statutory audit planning. He was subsequently promoted various times during his tenure in KPMG PLT until his last position held being Audit Senior Manager where he was responsible for completion of specific audit assignments and reviewing audit files for companies involved in the industries of insurance, manufacturing, property, oil & gas and healthcare as well as investment holdings.

In 2021, he left KPMG PLT and joined ARB Intelligence Sdn Bhd as Finance Manager, where he was involved in management consultancy activities. He was responsible for the finance and accounting functions. He subsequently left ARB Intelligence Sdn Bhd in June 2022.

In July 2022, he joined our Group as our Financial Controller where he assumed his current responsibilities.

**(iii) Lim Kee Choy**  
Regional Head of Sales

Lim Kee Choy, a Malaysian, aged 56, is the Regional Head of Sales of our Company. He is assisting in the sales and marketing of our Group.

Lim Kee Choy completed his Sijil Pelajaran Malaysia from Sekolah Menengah Kebangsaan Ghafar Baba, Melaka in 1986.

Lim Kee Choy began his career as Assistant in electrical shops selling consumer products in 1987. He then joined as Operator in a company involved in manufacturing air conditioning and gas compressor in 1988, where he was involved in the production of compressors for air conditioners. Subsequently, he left to join Yinpolin in 1989 as Assistant, where he was responsible for assisting in production and operations of fertiliser of the company and subsequently given further responsibilities in warehousing, sales and marketing of Yinpolin. During his tenure in Yinpolin, he gained substantial experience in fertiliser business. His last held position in Yinpolin was an Assistant Sales Manager in 2018.

In 2019, he joined our Group as our Sales Manager where he assumed his current responsibilities.

**(iv) Teow Kooi Thong**  
Factory Manager

Teow Kooi Thong, a Malaysian, aged 49, is the Factory Manager of our Company. He is responsible for the overall production of our Group, including quality control, warehousing and maintenance divisions of our Group. Currently, he is reporting to our Non-Independent Executive Director, Lee Cheng Seng.

Teow Kooi Thong attended his secondary education in Sekolah Menengah Kebangsaan Tengku Ampuan Rahimah, Klang in 1990.

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

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Teow Kooi Thong began his career as Assistant in a company involved in the handling of bulk packing of fertilisers in 1990, where he was responsible for the maintenance of industrial sewing machines for packing purposes. In 1994, he left the company to join his father's business, Teow Hat Soo @ Tiew Ah Chai, involved in trading of fertiliser and recycling of plastic, corrugated boxes and metal parts, as Assistant, where he was responsible for assisting the company's operations. Subsequently, his father's sole proprietorship ceased its business in 2021.

In 1996, he left the company to join Yinpolin as forklift driver. In 2000, he was appointed as Supervisor where he was responsible for the production and operations of fertilisers and he was subsequently promoted to Factory Manager in 2016. In 2019, he was re-designated as Warehouse Manager, where he was responsible for overseeing the warehousing department of the company before he left Yinpolin in 2020.

In July 2020, he joined our Group as our Factory Manager where he assumed his current responsibilities.

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**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

**5.4.4 Principal directorships and principal business activities of our Key Senior Management outside our Group**

Save for Lee Chin Yok, Lee Cheng Seng and Lee Cheng Fei's principal directorships and/or shareholdings outside our Group and principal activities performed outside our Group detailed in **Section 5.2.3** of this Prospectus as well as Leong Fo Seong as disclosed below, none of our Key Senior Management have any principal directorships and/or shareholdings outside our Group and principal business activities performed outside our Group in the past 5 years up to the LPD:

**(i) Leong Fo Seong**

| Company                                   | Principal activities  | Position held          | Date of appointment as director | Date of resignation | Equity interest held |              |
|---|---|------------------------|---------------------------------|---------------------|----------------------|--------------|
|   |   |                        |                                 |                     | Direct (%)           | Indirect (%) |
| <b><u>Present involvement</u></b><br>FBSS | Trading in fertiliser and agricultural consultancy services                               | Shareholder            | -                               | -                   | 50.0                 | -            |
| <b><u>Past involvement</u></b><br>FBSS    | Trading in fertiliser and agricultural consultancy services                               | Director               | 29 April 2003                   | 30 August 2023      | 50.0                 | -            |
| Agro-Axis Sdn Bhd                         | Wholesale of fertilisers and agrochemical products<br><i>(Dissolved on 7 August 2020)</i> | Director / Shareholder | 16 May 2000                     | -                   | 57.5                 | -            |
| Seribu Rempah Sdn Bhd                     | Manufacture of spices and curry powder<br><i>(Dissolved on 29 July 2021)</i>              | Director / Shareholder | 20 April 2009                   | -                   | 50.0                 | -            |

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

**(ii) Ian Siah Jun Ren**

As at the LPD, Ian Siah Jun Ren does not have any principal directorships and principal business activities performed outside our Group.

**(iii) Lim Kee Choy**

As at the LPD, Lim Kee Choy does not have any principal directorships and principal business activities performed outside our Group.

**(iv) Teow Kooi Thong**

As at the LPD, Teow Kooi Thong does not have any principal directorships and principal business activities performed outside our Group.

Save for Lee Chin Yok, Lee Cheng Seng, Lee Cheng Fei (details of their involvements in any other principal activities outside of our Group as set out in **Section 5.2.3** of this Prospectus) and Leong Fo Seong, there is no conflict of interest or potential conflict of interest identified as none of our other Key Senior Management are involved in any other principal business activities outside of our Group as at the LPD.

The present involvement of Leong Fo Seong in FBSB, which is involved in trading of fertilisers as set out in **Section 5.4.4(i)** of this Prospectus, would not affect his contributions to our Group. He had resigned as director of FBSB in August 2023 and is currently not involved in the management and day-to-day operations of FBSB. The business of FBSB does not require his involvement on a daily basis, other than in the capacity of a shareholder to pass any members' resolution, as this business is managed by its own management. Moreover, since his employment with our Group, FBSB had been involved in trading of different types of fertiliser which our Group does not supply to our customers. In order to mitigate any potential conflict of interest, Leong Fo Seong had provided an undertaking under his employment with our Group that he will not engage directly or indirectly in another business or occupation either as principal, agent, broker or otherwise, or to engage in any activity, to the detriment, whether direct or indirect, of our Group's interest.

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## 5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)

### 5.4.5 Remuneration and material benefits-in-kind of our Key Senior Management

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Key Senior Management for services rendered in all capacities to our Group for the FYE 2023 and FYE 2024 are as follows:

| Key Senior Management <sup>(1)</sup> | Remuneration band (in bands of RM50,000) |                       |
|--------------------------------------|--|-----------------------|
|                                      | FYE 2023                                 | Proposed for FYE 2024 |
| Leong Fo Seong                       | <sup>(2)</sup> 1 – 50,000                | 100,000 – 150,000     |
| Ian Siah Jun Ren                     | 200,000 – 250,000                        | 200,000 – 250,000     |
| Lim Kee Choy                         | 300,000 – 350,000                        | 300,000 – 350,000     |
| Teow Kooi Thong                      | 200,000 – 250,000                        | 200,000 – 250,000     |

**Notes:**

- (1) Please refer to **Section 5.2.4** of this Prospectus for further details of the remuneration and material benefits-in-kind of Lee Chin Yok, Lee Cheng Seng and Lee Cheng Fei.
- (2) Calculated on a pro-rated basis in view that he joined our Group in September 2023.

### 5.5 ASSOCIATIONS OR FAMILY RELATIONSHIPS BETWEEN OUR DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no other family relationships and/or association between any of our Directors, Promoters, Substantial Shareholders and Key Senior Management as at the LPD:

| Name  | Relationship   |
|---|--|
| <b>Directors, Promoters, Substantial Shareholders and Key Senior Management</b> |  |
| Lee Chin Yok  | <ul style="list-style-type: none"> <li>Father of Lee Cheng Seng and Lee Cheng Fei</li> </ul>             |
| Lee Cheng Seng  | <ul style="list-style-type: none"> <li>Son of Lee Chin Yok</li> <li>Brother of Lee Cheng Fei</li> </ul>  |
| Lee Cheng Fei   | <ul style="list-style-type: none"> <li>Son of Lee Chin Yok</li> <li>Brother of Lee Cheng Seng</li> </ul> |

### 5.6 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at LPD, none of our Promoters, Directors and Key Senior Management is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which such person was a director or member of Key Senior Management;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

**5. INFORMATION ON DIRECTORS, PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND KEY SENIOR MANAGEMENT (CONT'D)**

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- (iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on such person's part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on such person's part that relates to the capital market;
- (vi) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity;
- (vii) in the last 10 years, reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) any unsatisfied judgment against him/her.

**5.7 SERVICE CONTRACTS**

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into by our Directors or Key Senior Management with our Group which provide for benefits upon termination of employment.

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## 6. INFORMATION ON OUR GROUP

### 6.1 OUR GROUP

#### 6.1.1 History and background

Our Company was incorporated in Malaysia under the Act on 11 September 2023 as a public limited company under the name of Cropmate Berhad. Subsequently on 27 September 2024, we completed the Acquisition of Cropmate Fertilizer which resulted in Cropmate Fertilizer becoming our wholly-owned subsidiary.

We are principally an investment holding company. Through our Subsidiary, we are principally involved in the following business:

| <b>Company</b>      | <b>Principal activities</b>  |
|---------------------|--|
| Cropmate Fertilizer | Formulation and blending of conventional and specialty fertilisers as well as trading of straight fertilisers and related products |

#### 6.1.2 Share capital

After the Pre-IPO Exercise, our issued share capital is RM33.1 million, comprising 528,000,000 Shares. Save as disclosed below, there has been no change in our issued share capital since the date of our incorporation up to the LPD:

| <b>Date of allotment / subdivision</b> | <b>No. of Shares allotted</b> | <b>Consideration</b> | <b>Nature of transaction</b>       | <b>Cumulative share capital</b> |            |
|--|-------------------------------|----------------------|------------------------------------|---------------------------------|------------|
|  |                               |                      |                                    | <b>No. of Shares</b>            | <b>RM</b>  |
| 11 September 2023                      | 100                           | RM1.00 per Share     | Subscribers' share                 | 100                             | 100        |
| 27 September 2024                      | 527,999,900                   | RM0.0627 per Share   | Acquisition of Cropmate Fertilizer | 528,000,000                     | 33,105,694 |

Upon the completion of our IPO, our enlarged issued share capital will increase to RM73.2 million comprising 738,000,000 Shares.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Please refer to **Section 6.4** of this Prospectus for further information on our Subsidiary.

### 6.2 THE FORMATION OF OUR GROUP

#### 6.2.1 Acquisition of Cropmate Fertilizer

Our Company had on 30 October 2023 and 8 March 2024 entered into a conditional share sale agreement and a supplemental share sale agreement, respectively, with Lee Chin Yok, Lee Cheng Seng, Lee Cheng Fei, Lau Sam Siong and Datuk Tan Chew Chin to acquire the entire equity interest of Cropmate Fertilizer for a purchase consideration of approximately RM33.1 million, which was arrived at on a willing-buyer willing-seller basis at a discount of approximately 0.05% to the adjusted audited NA of Cropmate Fertilizer as at 31 December 2023 after taking into consideration of the following adjustment:

| <b>Cropmate Fertilizer</b>                                | <b>RM'000</b> |
|---|---------------|
| Audited NA as at 31 December 2023                         | 37,108        |
| Add : Estimated gain from the Proposed Disposal of Lot 51 | 14            |
| Less : Payment of final dividend <sup>(1)</sup>           | (4,000)       |
| <b>Adjusted NA as at 31 December 2023<sup>(2)</sup></b>   | <b>33,122</b> |

**6. INFORMATION ON OUR GROUP (CONT'D)****Notes:**

- (1) The final dividend of RM4.0 million was paid on 4 March 2024 out of the retained profits of Cropmate Fertilizer.
- (2) The Proposed Acquisition of Factory Lot 8949 and Proposed Acquisition of Factory Lot 8950, respectively, are not expected to have any effect on the NA of Cropmate Fertilizer.

The purchase consideration was satisfied via the issuance of 527,999,900 new Shares at an issue price of RM0.0627 per Share to the vendors as follows:

| <b>Vendors</b>      | <b>No. of shares acquired</b> | <b>% of share capital</b> | <b>Purchase consideration (RM)</b> | <b>No. of new Shares issued</b> |
|---------------------|-------------------------------|---------------------------|------------------------------------|---------------------------------|
| Lee Chin Yok        | 1,125,000                     | 45.0                      | 14,897,514                         | 237,599,900                     |
| Lee Cheng Seng      | 500,000                       | 20.0                      | 6,621,120                          | 105,600,000                     |
| Lee Cheng Fei       | 500,000                       | 20.0                      | 6,621,120                          | 105,600,000                     |
| Lau Sam Siong       | 250,000                       | 10.0                      | 3,310,560                          | 52,800,000                      |
| Datuk Tan Chew Chin | 125,000                       | 5.0                       | 1,655,280                          | 26,400,000                      |
| <b>Total</b>        | <b>2,500,000</b>              | <b>100.0</b>              | <b>33,105,594</b>                  | <b>527,999,900</b>              |

The said conditional share sale agreement was subject to the following, amongst others, approval from Bursa Securities in relation to the IPO and any other relevant parties.

The Acquisition of Cropmate Fertilizer was completed on 27 September 2024.

**6.2.2 Other related transactions**

In addition to the Acquisition of Cropmate Fertilizer, Cropmate Fertilizer had undertaken the following transactions before our IPO:

**(i) Proposed Acquisition of Factory Lot 8949**

Cropmate Fertilizer had on 24 October 2023 entered into a conditional sale and purchase agreement with Super Nine to acquire Factory Lot 8949, for a cash consideration of RM16.3 million.

Factory Lot 8949 is a parcel of freehold industrial land presently built upon with an individually designed single-storey detached factory/warehouse together with a 3-storey office section. The factory is currently used by our Group for formulation and blending of fertiliser, the warehouse to store our inventories and the 3-storey office which serves as our head office.

As at the LPD, the directors and shareholders of Super Nine, and their respective shareholdings are as follows:

| <b>Name</b>                              | <b>Nationality</b> | <b>No. of shares</b> | <b>%</b>     |
|--|--------------------|----------------------|--------------|
| <b><u>Directors and shareholders</u></b> |                    |                      |              |
| Lee Chin Yok <sup>(1)</sup>              | Malaysian          | 110,000              | 55.0         |
| Lee Cheng Seng <sup>(1)</sup>            | Malaysian          | 30,000               | 15.0         |
| Lee Cheng Yew <sup>(2)</sup>             | Malaysian          | 30,000               | 15.0         |
| Lee Cheng Fei <sup>(1)</sup>             | Malaysian          | 30,000               | 15.0         |
|  |                    | <b>200,000</b>       | <b>100.0</b> |

## 6. INFORMATION ON OUR GROUP (CONT'D)

### Notes:

- (1) Please refer to **Section 5.5** of this Prospectus for the details of associations or family relationships between the directors and shareholders of Super Nine who are also our Directors, Promoters, Substantial Shareholders and Key Senior Management.
- (2) Son of Lee Chin Yok and brother of Lee Cheng Seng and Lee Cheng Fei.

The purchase consideration of Factory Lot 8949 of RM16.3 million was arrived at after taking into consideration the market value of Factory Lot 8949 of RM16.3 million as valued by the Valuer, based on the valuation carried out on 3 October 2023 which market value remains unchanged based on the updated valuation carried out on 15 March 2024. The Valuation Certificate and Update Valuation Certificate of Factory Lot 8949 from the Valuer dated 23 October 2023 and 3 April 2024, respectively, are enclosed in **Section 14** of this Prospectus.

The purchase consideration of Factory Lot 8949 will be satisfied via the following:

- (i) 90% of the purchase consideration of Factory Lot 8949 amounting to approximately RM14.7 million will be funded via proceeds raised from the IPO as set out in **Section 4.6.2** of this Prospectus; and
- (ii) the balance amounting to approximately RM1.6 million, representing deposit for the Proposed Acquisition of Factory Lot 8949, had been paid via internally generated funds.

The completion of the Proposed Acquisition of Factory Lot 8949 is conditional upon, amongst others, receipt of a copy of the title of Factory Lot 8949 duly converted to medium industry, consent of the state authority and successful Listing of our Company.

The existing tenancy agreement is for a term of 1 year from 1 March 2024 to 28 February 2025. Nevertheless, based on the said conditional sale and purchase agreement, Cropmate Fertilizer will continue to pay the same rental to the landlord, Super Nine until the completion of the Proposed Acquisition of Factory Lot 8949.

### (ii) Proposed Acquisition of Factory Lot 8950

Cropmate Fertilizer had on 24 October 2023 entered into a conditional sale and purchase agreement with Lee Chin Yok and Lee Cheng Seng to acquire Factory Lot 8950, which is adjacent to Factory Lot 8949, for a cash consideration of RM13.5 million.

Factory Lot 8950 is a parcel of leasehold industrial land presently built upon with an individually designed single-storey detached factory/warehouse currently used by our Group for formulation and blending of fertiliser and the warehouse to store our inventories.

The purchase consideration of Factory Lot 8950 of RM13.5 million was arrived at after taking into consideration the market value of Factory Lot 8950 of RM13.5 million as valued by the Valuer, based on the valuation carried out on 3 October 2023 which market value remains unchanged based on the updated valuation carried out on 15 March 2024. The Valuation Certificate and Update Valuation Certificate of Factory Lot 8950 from the Valuer dated 23 October 2023 and 3 April 2024, respectively, are enclosed in **Section 14** of this Prospectus.

## 6. INFORMATION ON OUR GROUP (CONT'D)

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The purchase consideration of Factory Lot 8950 will be satisfied via the following:

- (i) 15% of the purchase consideration of Factory Lot 8950 amounting to approximately RM2.0 million will be funded via proceeds raised from the IPO as set out in **Section 4.6.2** of this Prospectus; and
- (ii) the balance amounting to approximately RM11.5 million will be funded via the combination of internally generated funds and bank borrowings, of which approximately RM1.4 million (representing deposit for the Proposed Acquisition of Factory Lot 8950) had been paid via internally generated funds.

The completion of the Proposed Acquisition of Factory Lot 8950 is conditional upon, amongst others, receipt of a copy of the title of Factory Lot 8950 duly converted to medium industry, consent of the state authority and successful Listing of our Company.

The existing tenancy agreement is for a term of 1 year from 1 January 2024 to 31 December 2024. Nevertheless, based on the said conditional sale and purchase agreement, Cropmate Fertilizer will continue to pay the same rental to the landlords, Lee Chin Yok and Lee Cheng Seng until the completion of the Proposed Acquisition of Factory Lot 8950.

### (iii) **Proposed Disposal of Lot 51**

Cropmate Fertilizer had on 24 October 2023 entered into a conditional sale and purchase agreement with Super Nine to dispose of Lot 51 for a cash consideration of RM11.4 million.

The original consideration of Lot 51 when Cropmate Fertilizer acquired the said vacant land on 28 June 2021 for investment purpose was approximately RM11.2 million. The disposal consideration of RM11.4 million was arrived at after taking into consideration the market value of Lot 51 of RM11.4 million as valued by the Valuer, based on the valuation carried out on 3 October 2023 which market value remains unchanged based on the updated valuation carried out on 15 March 2024. The Valuation Certificate and Update Valuation Certificate of Lot 51 from the Valuer dated 23 October 2023 and 3 April 2024, respectively, are enclosed in **Section 14** of this Prospectus.

Our Group intends to utilise the disposal proceeds from the Proposed Disposal of Lot 51 for the repayment of bank borrowings for the acquisition of Lot 51 and for working capital purposes. For illustration purposes based on the remaining balance of bank borrowings as at LPD of approximately RM7.8 million, 68.5% of the disposal consideration (amounting to approximately RM7.8 million) will be allocated for repayment of bank borrowings, while the balance of 31.5% of the disposal consideration (amounting to approximately RM3.6 million) will be allocated for working capital purposes.

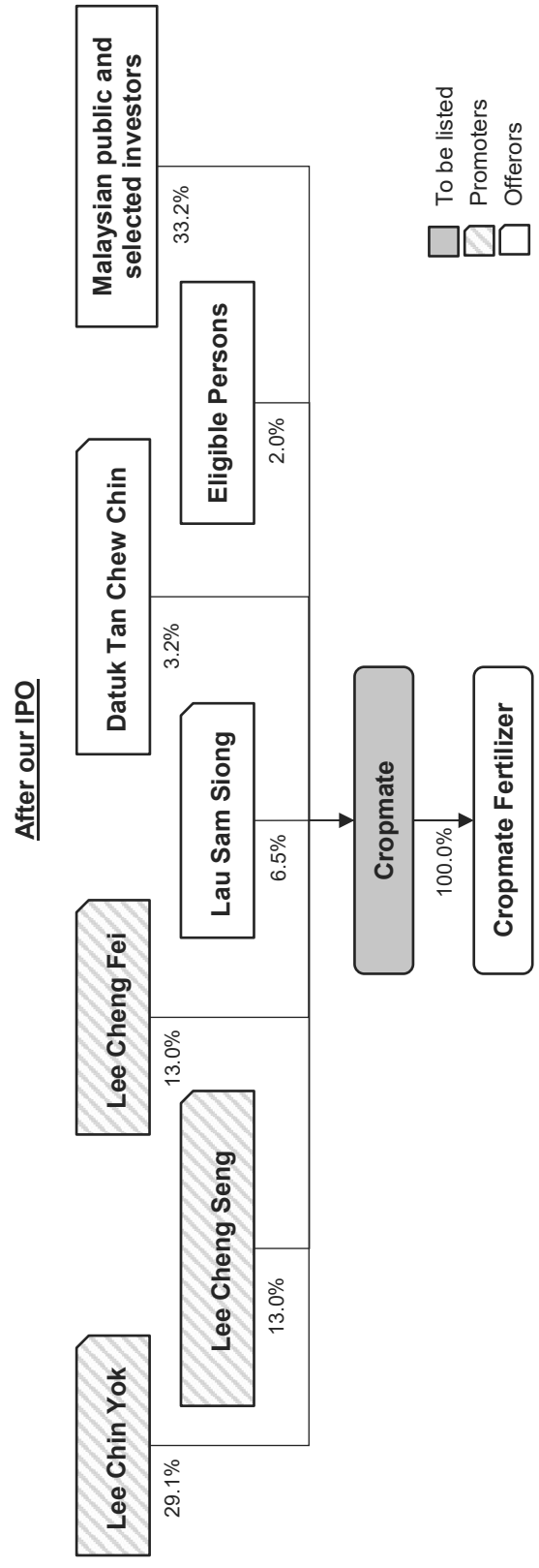
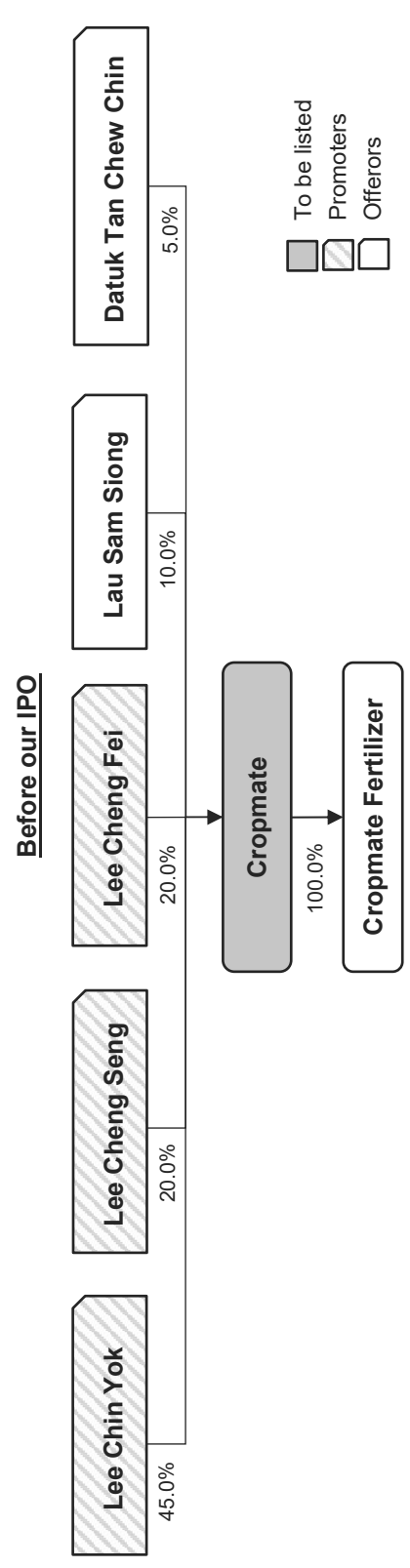
The completion of the Proposed Disposal of Lot 51 is conditional upon, amongst others, consent of the state authority.

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6. INFORMATION ON OUR GROUP (CONT'D)

6.3 OUR GROUP STRUCTURE

Our Group structure before and after our IPO are as follows:



## 6. INFORMATION ON OUR GROUP (CONT'D)

### 6.4 OUR SUBSIDIARY

Our Subsidiary as at the LPD is as follows:

| Name and registration no.                      | Date and country of incorporation | Principal place of business | Issued share capital<br>RM'000 | Effective equity interest<br>% | Principal activities   |
|--|-----------------------------------|-----------------------------|--------------------------------|--------------------------------|--|
| <b><u>Subsidiary</u></b>                       |                                   |                             |                                |                                |  |
| Cropmate Fertilizer / 201801010226 (1272241-X) | 14 March 2018 / Malaysia          | Malaysia                    | 2,500                          | 100.0                          | Formulation and blending of conventional and specialty fertilisers as well as trading of straight fertilisers and related products |

As at the LPD, we do not have any joint venture or associated company.

Further details of our Subsidiary as at the LPD are set out below:

#### 6.4.1 Cropmate Fertilizer

Cropmate Fertilizer was incorporated in Malaysia under the Act on 14 March 2018 as a private limited company under the name of Cropmate Fertilizer Sdn Bhd and commenced its business on 19 April 2018. Cropmate Fertilizer is principally involved in the formulation and blending of conventional and specialty fertilisers as well as trading of straight fertilisers and related products.

Cropmate Fertilizer's issued share capital as at the LPD is RM2,500,000 comprising 2,500,000 ordinary shares. There has been no change in the issued share capital of Cropmate Fertilizer for the past 3 FYEs preceding the LPD.

As at the LPD, Cropmate Fertilizer does not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

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## 6. INFORMATION ON OUR GROUP (CONT'D)

### 6.5 MATERIAL INVESTMENTS AND DIVESTITURES

Save as disclosed below, we do not have any other material investments and divestitures for the Financial Periods Under Review and up to the LPD:

|   | <u>FYE 2021</u>      | <u>FYE 2022</u>     | <u>FYE 2023</u>     | <u>FPE 2024</u>   | <u>1 June 2024<br/>up to the<br/>LPD</u> |
|---|----------------------|---------------------|---------------------|-------------------|--|
|   | <u>RM'000</u>        | <u>RM'000</u>       | <u>RM'000</u>       | <u>RM'000</u>     | <u>RM'000</u>                            |
| <b><u>Investment costs</u></b>                  |                      |                     |                     |                   |  |
| Right-of-use                                    |                      |                     |                     |                   |  |
| - Leasehold land <sup>(1)</sup>                 | 11,902               | -                   | -                   | -                 | -  |
| - Factory <sup>(2)</sup>                        | 896                  | 1,463               | -                   | -                 | -  |
| - Motor vehicles <sup>(3)</sup>                 | 318                  | 1,143               | 413                 | -                 | -  |
| - Construction in progress <sup>(4)</sup>       | -                    | 4,307               | 19                  | -                 | -  |
| Plant and Equipment                             |                      |                     |                     |                   |  |
| - Plant, machinery and equipment <sup>(5)</sup> | 1,669                | 1,120               | 1,846               | 131               | -  |
| - Work in progress <sup>(6)</sup>               | -                    | 647                 | 746                 | 366               | -  |
| <b>Total</b>                                    | <b><u>14,785</u></b> | <b><u>8,680</u></b> | <b><u>3,024</u></b> | <b><u>497</u></b> | <b><u>-</u></b>                          |
| <b><u>Divestiture proceeds</u></b>              |                      |                     |                     |                   |  |
| Right-of-use                                    |                      |                     |                     |                   |  |
| - Motor vehicles <sup>(3)</sup>                 | -                    | 161                 | 168                 | -                 | -  |
| Plant and Equipment                             |                      |                     |                     |                   |  |
| - Plant, machinery and equipment <sup>(5)</sup> | -                    | 126                 | -                   | -                 | -  |
| <b>Total</b>                                    | <b><u>-</u></b>      | <b><u>287</u></b>   | <b><u>168</u></b>   | <b><u>-</u></b>   | <b><u>-</u></b>                          |

#### Notes:

- (1) Relates mainly to the purchase of leasehold land Lot 51 in FYE 2021.
- (2) Being right-of-use assets arising from leasing of factories recognised in accordance with MFRS 16 in the FYE 2021 and FYE 2022.
- (3) Includes forklifts, tractors and company vehicles under hire purchase contracts.
- (4) Relates to the construction of Warehouse Lot 11925.
- (5) Includes computer and software, factory equipment, furniture and fittings, motor vehicles, office equipment, renovation, plant and machinery which were used for our day-to-day operations.

## 6. INFORMATION ON OUR GROUP (CONT'D)

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- (6) *Work in progress mainly for the installation of (i) dust collector and scrubber at Factory Lot 8949 in FYE 2022; (ii) dust collector and scrubber at Factory Lot 8950 in FYE 2023; and (iii) upgrading of fire system subsequently.*

The above material investments were primarily financed by a combination of bank borrowings and internally generated funds.

Other than the material commitments for capital expenditure as disclosed in **Section 12.4.6** of this Prospectus, there are no material investments or divestitures currently in progress.

### 6.6 PUBLIC TAKE-OVERS

Since the last financial year up to the LPD, there were:

- (i) no public take-over offers by third parties in respect of our Shares; and
- (ii) no public take-over offers by our Company in respect of other companies' shares.

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## 7. BUSINESS OVERVIEW

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### 7.1 OVERVIEW OF OUR BUSINESS

#### 7.1.1 Business history and milestones

Our Company was incorporated in Malaysia on 11 September 2023 as a public limited company. Our Company is an investment holding company.

Our subsidiary, Cropmate Fertilizer is primarily involved in the formulation and blending of conventional and specialty fertilisers as well as trading of straight fertilisers and related products. Our conventional fertilisers are mainly sold under our brand “Cropmate-Dua Daun”, while a small proportion (less than 1.2% of our total revenue for each of the Financial Periods Under Review) are sold under our brand “Cropmate-Kincir Angin”. Our specialty fertilisers are mainly sold under our sub-brand “CM Miracle”. Please refer to **Section 7.3.5** of this Prospectus for further information on our revenue by brands. We operate from our head office and production facility in Telok Gong, Klang, Selangor.

As at the LPD, we have 4 blending-compacting production lines of which 3 are used for the production of compacted and semi-organic fertilisers while 1 is used for the production of blended and organic fertilisers. The annual capacity for the 3 production lines for the compacted and semi-organic fertilisers is approximately 150,000 tonnes while the annual capacity for the 1 production line for blended and organic fertilisers is approximately 64,000 tonnes. Please refer to **Section 7.8** of this Prospectus for further information on our production capacity.

The history of our business can be traced back to the incorporation of Cropmate Fertilizer on 14 March 2018 where our Executive Directors, Lee Cheng Seng and Lee Cheng Fei, who are siblings, each held 50.0% equity interest in the company. In June 2018, in order to raise capital to start our business operations, Lee Cheng Seng and Lee Cheng Fei invited two unrelated parties namely Lau Sam Siong and Datuk Tan Chew Chin to invest in Cropmate Fertilizer and transferred 10.0% of each of their respective equity interests to Lau Sam Siong (10.0% equity interest) and Datuk Tan Chew Chin (10.0% equity interest). Lau Sam Siong and Datuk Tan Chew Chin are passive investors and are not involved in any executive capacity in our Group. Lau Sam Siong and Datuk Tan Chew Chin became acquainted with our Group Managing Director, Lee Chin Yok through their prior business dealings with Yinpolin Agriculture Sdn Bhd, a company involved in fertiliser business. Lee Chin Yok assisted his sons, Lee Cheng Seng and Lee Cheng Fei in the setup of the business operations of the company before he was appointed as a director of Cropmate Fertilizer in August 2019. Please refer to **Section 5.2.2** of this Prospectus for further details on the profiles of our Directors.

Subsequently, in September 2019, Lee Chin Yok acquired 45.0% equity interests from the shareholders namely 20.0% from Lee Cheng Seng, 20.0% from Lee Cheng Fei and, in October 2019, 5.0% from Datuk Tan Chew Chin. Since December 2019 and prior to the completion of the Acquisition of Cropmate Fertilizer, the shareholders of Cropmate Fertilizer and their respective equity interests are Lee Chin Yok (45.0%), Lee Cheng Seng (20.0%), Lee Cheng Fei (20.0%), Lau Sam Siong (10.0%) and Datuk Tan Chew Chin (5.0%).

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## 7. BUSINESS OVERVIEW (CONT'D)

The table below sets out the key events and milestones in the history and development of our business:

| Year | Key events and milestones   |
|------|---|
| 2018 | <ul style="list-style-type: none"> <li data-bbox="411 394 1398 696">▪ We incorporated and commenced our business in the formulation and blending of conventional and specialty fertilisers with 1 blending production line for blended fertilisers and 2 blending-compacting production lines for compacted and semi-organic fertilisers. The blending production line has a production capacity of approximately 80,000 tonnes per annum while the 2 blending-compacting production lines have a collective production capacity of approximately 100,000 tonnes per annum. During the same year, we started selling our range of compacted fertilisers based on our standard formulations and made our first sales of compacted fertilisers, CM 44B to a trading company in Selangor, Malaysia.</li> <li data-bbox="411 734 1398 864">▪ We started selling our range of blended fertilisers based on our formulations to cater to the various nutrient requirements for plantations such as oil palm plantations. We made our first sales of blended fertilisers, BB44 to a trading company in Selangor, Malaysia.</li> <li data-bbox="411 902 1398 965">• We also started trading straight fertilisers to a trading company in Selangor, Malaysia.</li> <li data-bbox="411 1003 1398 1133">▪ We started to offer customised formulations of our fertilisers to meet the specific requirements of our customers and made our first sale of customised formulation of blended fertilisers to a customer in Selangor, Malaysia for use in oil palm plantations.</li> </ul> |
| 2019 | <ul style="list-style-type: none"> <li data-bbox="411 1178 1398 1308">▪ We made our first export sale where we supplied compacted fertilisers to a trading company in Cambodia. The compacted fertilisers supplied were formulated based on the customer's specifications. Since then, we continued to have sales from Cambodia within the Financial Periods Under Review.</li> <li data-bbox="411 1346 1398 1476">▪ We expanded our range of compacted fertilisers to include 3 additional standard formulations namely, CM 125B, CM NK and CM 123 mainly for oil palm plantations. For further information on our range of compacted fertiliser, please refer to <b>Section 7.4.1.3 (i)</b> of this Prospectus.</li> <li data-bbox="411 1514 1398 1599">▪ In addition, we expanded our range of specialty fertilisers to include CM Miracle 6663 under our sub-brand "CM Miracle" series of semi-organic fertilisers to address the nutrient requirements for orchards mainly durian orchards.</li> </ul>   |
| 2020 | <ul style="list-style-type: none"> <li data-bbox="411 1641 1398 1727">▪ We further expanded our range of specialty fertilisers to include 3 additional formulations namely CM Miracle 308, CM Miracle 10/4/25 and CM Miracle Compost under the sub-brand of "CM Miracle" mainly for orchards.</li> <li data-bbox="411 1765 1398 1861">▪ CM Miracle Compost is our first organic fertiliser and we made our first sales to a durian orchard in Selangor, Malaysia. The CM Miracle Compost is mainly for orchards.</li> </ul>   |

## 7. BUSINESS OVERVIEW (CONT'D)

| Year | Key events and milestones   |
|------|---|
| 2021 | <ul style="list-style-type: none"> <li>▪ We further expanded our range of specialty fertilisers to include 2 additional formulations namely CM Miracle PMG Bio-Plus 1510 and CM Miracle King under the sub-brand of “CM Miracle” which are mainly for orchards. The CM Miracle PMG Bio-Plus 1510 is our first specialty fertiliser which comprises inorganic and organic matter, biostimulants, phosphorus acid and EDTA.</li> <li>▪ We expanded our range of compacted fertilisers to include an additional standard formulation namely CM 1022.</li> </ul>  |
| 2022 | <ul style="list-style-type: none"> <li>▪ We further expanded our range of specialty fertilisers to include 4 additional formulations namely CM Miracle 70:30, CM Miracle 80:20, CM Miracle Green and CM Miracle Blue under our CM Miracle series mainly for orchards.</li> </ul>  |
| 2023 | <ul style="list-style-type: none"> <li>▪ We delivered our first specialty fertilisers for use in oil palm plantations in Sandakan, Sabah through sales to a customer based in Selangor.</li> <li>▪ We expanded our range of specialty fertilisers to include liquid fertiliser namely CaNBo 818 under the sub-brand of “CM Miracle” mainly for orchards. During the same year, we made our first sale of liquid fertilisers for foliar application to a trading company in Selangor, Malaysia.</li> <li>▪ We set-up an additional blending-compacting production line for compacted and semi-organic fertilisers with a production capacity of approximately 50,000 tonnes per annum. As at the LPD, we have 4 blending-compacting production lines of which 3 are used for the production of compacted and semi-organic fertilisers, while 1 is used for the production of blended and organic fertilisers.</li> </ul> |
| 2024 | <ul style="list-style-type: none"> <li>▪ We further expanded our range of compacted fertilisers to include 1 additional formulation namely, Max K Special mainly for oil palm plantations. For further information on our range of compacted fertiliser, please refer to <b>Section 7.4.1.3 (i)</b> of this Prospectus.</li> <li>▪ We further expanded our range of specialty fertilisers to include 2 additional formulations namely, CM Miracle 5/18/24 and CM Miracle KP 0/30/20 under the sub-brand of “CM Miracle” mainly for durian orchards.</li> </ul>  |

### 7.1.2 Certifications

In 2022, we obtained ISO 9001 quality management system certification which was accredited by the International Accreditation Service as below:

| Standard / Certification                 | Accreditation body                  | Date first awarded | Current validity period             | Scope of certification                      |
|--|-------------------------------------|--------------------|-------------------------------------|---|
| ISO 9001: 2015 Quality Management System | International Accreditation Service | 16 November 2022   | 16 November 2022 – 15 November 2025 | Manufacturing of fertilisers <sup>(1)</sup> |


**Note:**

(1) *Our manufacturing activities involve formulation and blending of conventional and specialty fertilisers. The term “formulation and blending” is used for business activities where the production process does not involve any chemical reactions.*

## 7. BUSINESS OVERVIEW (CONT'D)

### 7.1.3 Our business model

Our business model for the Financial Periods Under Review is as follows:

| Business activities and revenue streams  | Application of fertilisers   | Markets and operations   | Distribution channels and customer base   |
|--|--|--|---|
| <p><b>Fertilisers</b></p> <p><b>Formulation and blending</b></p> <ul style="list-style-type: none"> <li>Conventional fertilisers</li> <li>Specialty fertilisers</li> </ul> <p><b>Trading</b></p> <ul style="list-style-type: none"> <li>Straight fertilisers</li> <li>Others <sup>(1)</sup></li> </ul> | <p><b>Target applications</b></p> <p>Oil palm and rubber plantations <sup>(2)</sup></p> <p>Orchards <sup>(3)</sup></p> | <p><b>Main market and operational facility</b></p> <p>Malaysia <sup>(4)</sup></p>  <p>Our production facility</p> <p><b>Other markets</b></p> <ul style="list-style-type: none"> <li>Cambodia</li> <li>Sri Lanka</li> <li>Singapore</li> <li>Papua New Guinea</li> </ul> | <p><b>Main channel - direct</b></p> <p>Plantation/orchard owners and/or operators</p> <p>Fertiliser manufacturers</p> <p><b>Complementary channel - indirect</b></p> <ul style="list-style-type: none"> <li>Traders <sup>(5)</sup></li> </ul> |

#### Notes:

- (1) Include MgO, micronutrients and organic matter and externally sourced organic fertiliser.
- (2) Mainly for oil palm plantations.
- (3) Mainly for durian orchards.
- (4) Our main market is Malaysia. Revenue from Malaysia accounted for 99.3%, 99.1%, 99.3%, and 99.1% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. Please refer to **Section 7.1.3.3** of this Prospectus for further details.
- (5) Refers to intermediaries who would resell our products in their original form to their customers including end-users, which may also include plantation/orchard owners and/or operators.

#### 7.1.3.1 Our main business activities and revenue streams

##### (i) Formulation and blending of fertilisers

We are involved in the formulation and blending of conventional and specialty fertilisers for plant development, growth and health. As at the LPD, we have developed 18 and 14 standard formulations for conventional fertilisers and specialty fertilisers respectively. In addition, we have developed customised formulas based on customers' requirements taking into consideration soil, environmental and/or plant conditions. For FPE 2024, our standard formula and customised formula fertilisers accounted for 51.3% and 24.0% of our total revenue respectively, while the remaining 24.7% was contributed by trading of mainly straight fertilisers and related products.

We purchase macronutrients, micronutrients, organic matter, biostimulants, microbes and other additives which are then blended according to our formulation in our operations facility in Klang, Selangor. Our fertilisers are mainly for soil application and are mainly used in plantations and orchards.

**7. BUSINESS OVERVIEW (CONT'D)**

We formulate and blend two types of fertilisers, namely conventional and specialty fertilisers.

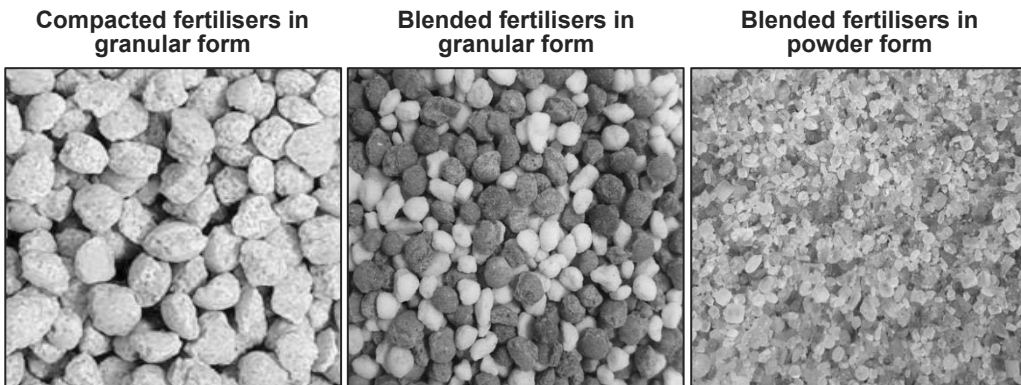
**(a) Conventional fertilisers**

Our conventional fertilisers can be classified into two categories:

- compacted; and
- blended.

Compacted fertilisers are physically mixed fertilisers comprising mainly two or more straight fertilisers such as N, P and/or K, plus some secondary macronutrients and micronutrients in powder form which are subsequently compacted into granular form.

Blended fertilisers are physically mixed fertilisers comprising mainly two or more straight fertilisers such as N, P and/or K, plus some secondary macronutrients and micronutrients in their original purchased granular or powder form.



| Conventional fertilisers | Nutrient content   | Input material form | Finished product form |
|--------------------------|--|---------------------|-----------------------|
| Compacted fertilisers    | Mainly N, P and/or K, plus secondary macronutrients and micronutrients | Powder              | Granular              |
| Blended fertilisers      | Mainly N, P and/or K, plus secondary macronutrients and micronutrients | Granular or Powder  | Granular or Powder    |

As at the LPD, our range of compacted fertilisers are available in 12 standard formulations while our blended fertilisers are available in 6 standard formulations. In addition, we provide customised formulations of our compacted and blended fertilisers based on customers' requirements.

**(b) Specialty fertilisers**

Our specialty fertilisers can be classified into three categories:

- semi-organic;
- organic; and
- liquid.

## 7. BUSINESS OVERVIEW (CONT'D)

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Semi-organic fertilisers are based on combining inorganic (mineral and chemical) fertilisers and organic matter (mainly composted empty fruit bunches of oil palm), biostimulants, microbes and other additives including phosphorus acid and ethylenediaminetetraacetic acid (EDTA). Semi-organic fertilisers comprise approximately 80% inorganic matter and 20% organic matter by weight in each package, while the rest are negligible by weight.

Biostimulants are produced during the natural composting of organic matter. In addition, we add biostimulants into our semi-organic fertilisers. Microbes are living microorganisms which exist naturally in soil and can also be introduced into the soil. Biostimulants and microbes improve plant nutrient uptake, stimulate plant growth, increase plant resilience to adverse environmental factors and improve crop quality. Nutrients that naturally occur in the soil may not be readily available for uptake by plants. As such, microbes are added to break down nutrients into a form which can readily be absorbed by plants to improve plant development, growth and health. Phosphorus acid is mainly for disease control and prevention, and EDTA is to improve the availability of micronutrients to plants.

Liquid fertilisers are a mixture of several soluble fertilisers in a solution that can then be applied directly to the soil, sprayed onto the leaves of plants or used in fertigation.

### (ii) Trading of straight and other fertilisers

Straight fertilisers are single-nutrient fertilisers. We are involved in the trading of straight fertilisers N, P or K fertilisers, and to a lesser extent, secondary macronutrients, micronutrients and organic fertilisers. Our trading activities include buying fertilisers in bulk and repacking them into smaller bag sizes or we may purchase straight fertilisers in small bags and sell them in their original packaging. The fertilisers that we trade are mainly without any brand. Fertilisers that are sold under our trading segment do not involve any further production processing.

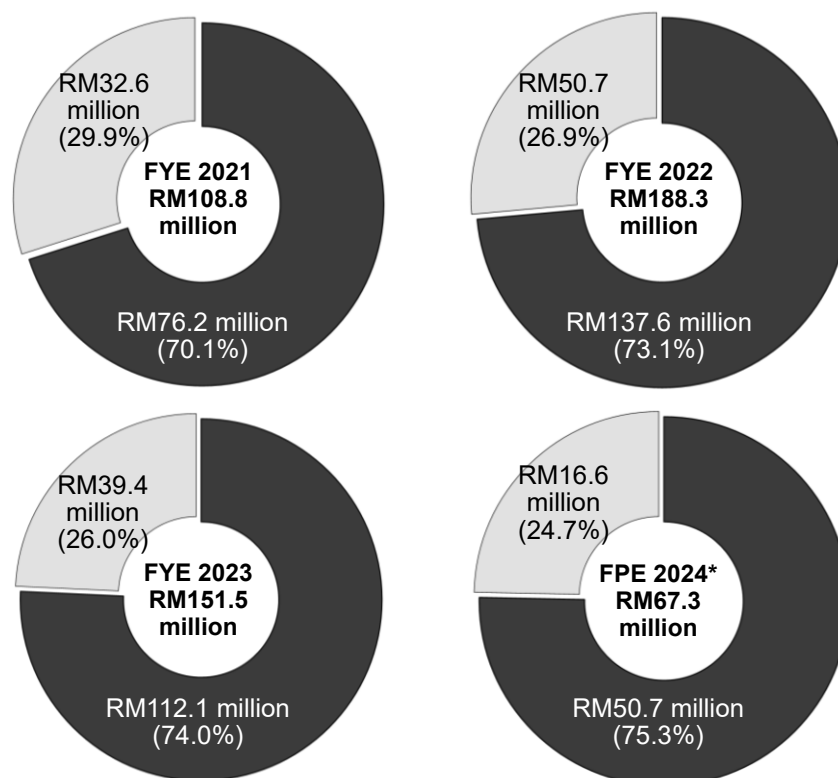
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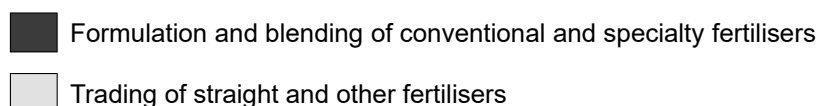
## 7. BUSINESS OVERVIEW (CONT'D)

### (iii) Revenue segmentation by business activities

Our revenue segmentation by business activities for the Financial Periods Under Review are as follows:



\*FPE 2024 refers to the 5-month financial period ended 31 May 2024



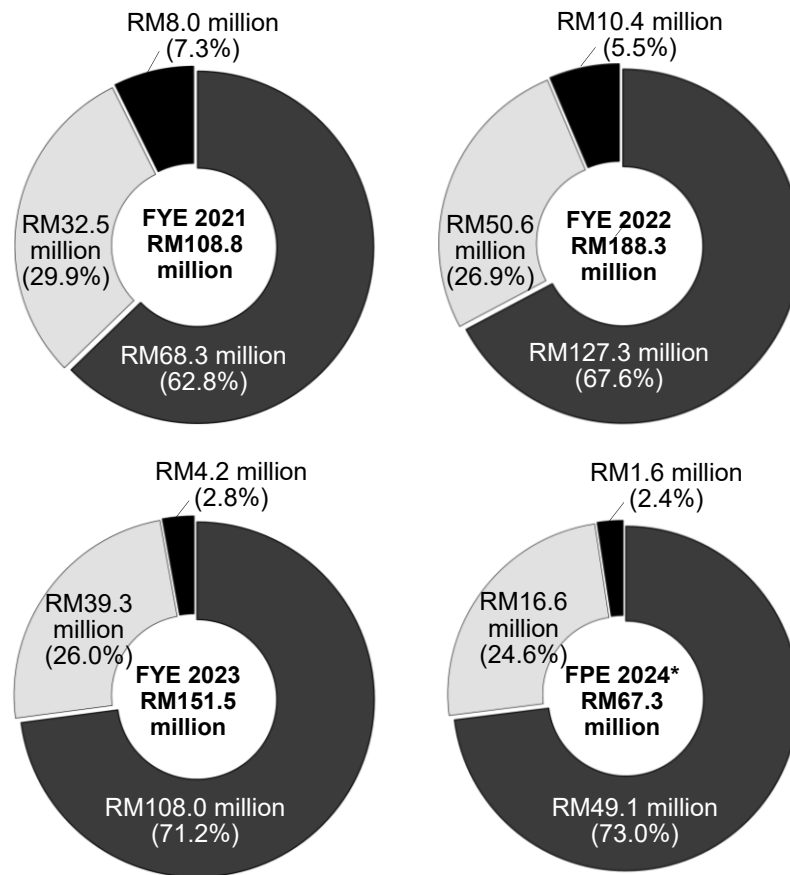
Our Group's revenue grew by a CAGR of 18.0% from RM108.8 million in FYE 2021 to RM151.5 million in FYE 2023. For the FYE 2021 to FYE 2023, the largest segment of our revenue was contributed by the formulation and blending of conventional and specialty fertilisers which increased by a CAGR of 21.3% from RM76.2 million of our revenue in FYE 2021 to RM112.1 million in FYE 2023. Meanwhile, the revenue from trading of straight and other fertiliser segment also increased by a CAGR of 10.1% from RM32.6 million in FYE 2021 to RM39.4 million in FYE 2023. For FPE 2024, our revenue from the formulation and blending of conventional and specialty fertilisers accounted for 75.3% of our total revenue, while revenue from trading of straight and other fertiliser segment accounted for 24.7%.

### (iv) Revenue segmentation by brands

Our fertilisers are sold under our brands, third-party brands or without brand. Our conventional fertilisers are mainly sold under our brand "Cropmate-Dua Daun", while a small proportion is sold under our brand "Cropmate-Kincir Angin". Our specialty fertilisers are mainly sold under our sub-brand "CM Miracle". We also carry out contract blending for some of our customers which are packaged under third-party brands. As for the trading of straight and other fertilisers, they are mainly sold without brand. For further details on our brands, please refer to **Section 7.3.5** of this Prospectus.

**7. BUSINESS OVERVIEW (CONT'D)**

For the Financial Periods Under Review, our revenue segmentation based on brands are as follows:



\*FPE 2024 refers to the 5-month financial period ended 31 May 2024

Our brands
  Without brand
  Third-party brands

Our fertilisers were mainly sold under our brands which accounted for 62.8% (RM68.3 million), 67.6% (RM127.3 million), 71.2% (RM108.0 million) and 73.0% (RM49.1 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. Meanwhile, our fertilisers which were sold without brand and third-party brands collectively accounted for 37.2% (RM40.5 million), 32.4% (RM61.0 million), 28.8% (RM43.5 million) and 27.0% (RM18.2 million) for FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively.

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## 7. BUSINESS OVERVIEW (CONT'D)

### 7.1.3.2 Customer base

Our fertilisers are mainly targeted for applications at plantations such as oil palm plantations, and orchards such as durian orchards.

Our customer base includes end-users, namely plantation and orchard owners and/or operators, as well as traders who resell our fertilisers to their customers, which may also include plantation and orchard owners and/or operators. In addition, our customer base includes other fertiliser manufacturers.

Our revenue segmentation by type of customers for the Financial Periods Under Review are as follows:

|                            | FYE 2021       |              | FYE 2022       |              | FYE 2023       |              | FPE 2024      |              |
|----------------------------|----------------|--------------|----------------|--------------|----------------|--------------|---------------|--------------|
|                            | RM'000         | %            | RM'000         | %            | RM'000         | %            | RM'000        | %            |
| Traders                    | 34,104         | 31.4         | 80,340         | 42.7         | 69,187         | 45.7         | 34,972        | 52.0         |
| Plantations <sup>(1)</sup> | 55,230         | 50.8         | 79,788         | 42.3         | 53,175         | 35.1         | 24,870        | 36.9         |
| Orchards <sup>(2)</sup>    | 3,927          | 3.5          | 8,418          | 4.5          | 18,227         | 12.0         | 5,363         | 8.0          |
| Fertiliser manufacturers   | 15,518         | 14.3         | 19,750         | 10.5         | 10,958         | 7.2          | 2,106         | 3.1          |
| <b>Total revenue</b>       | <b>108,779</b> | <b>100.0</b> | <b>188,296</b> | <b>100.0</b> | <b>151,547</b> | <b>100.0</b> | <b>67,311</b> | <b>100.0</b> |

**Notes:**

- (1) Including sales to owners and/or operators of plantations, mainly oil palm plantations.
- (2) Including sales to owners and/or operators of orchards, mainly durian orchards.

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## 7. BUSINESS OVERVIEW (CONT'D)

### 7.1.3.3 Markets and operations

Our major market is Malaysia which accounted for 99.3% (RM108.0 million), 99.1% (RM186.6 million), 99.3% (RM150.5 million), and 99.1% (RM66.7 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. The remainder of our revenue was contributed by sales to foreign countries including Cambodia, Singapore, Sri Lanka and Papua New Guinea which accounted for 0.7% (RM0.8 million), 0.9% (RM1.7 million), 0.7% (RM1.0 million) and 0.9% (RM0.6 million) of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively.

Our production facility is located in Klang, Selangor. Logistically, it is centrally located to service the central, southern, northern and east coast regions of Peninsular Malaysia, and is next to Westport and Northport in Port Klang, Selangor for shipment of our fertilisers to East Malaysia and foreign countries.

The breakdown of our Group's revenue by geographical markets for the Financial Periods Under Review is as follows:

| Geographical markets <sup>(1)</sup>      | FYE 2021       |              | FYE 2022       |              | FYE 2023       |              | FPE 2024      |              |
|--|----------------|--------------|----------------|--------------|----------------|--------------|---------------|--------------|
|  | RM'000         | %            | RM'000         | %            | RM'000         | %            | RM'000        | %            |
| <b>Malaysia</b>                          |                |              |                |              |                |              |               |              |
| <b>Peninsular Malaysia</b>               | <b>101,613</b> | <b>93.4</b>  | <b>161,715</b> | <b>85.9</b>  | <b>142,012</b> | <b>93.7</b>  | <b>59,078</b> | <b>87.8</b>  |
| ▪ <i>Central region<sup>(2)</sup></i>    | 47,918         | 44.1         | 76,609         | 40.7         | 57,780         | 38.1         | 23,986        | 35.6         |
| ▪ <i>Southern region<sup>(3)</sup></i>   | 23,378         | 21.5         | 35,533         | 18.9         | 40,618         | 26.8         | 16,358        | 24.3         |
| ▪ <i>Northern region<sup>(4)</sup></i>   | 17,659         | 16.2         | 27,800         | 14.8         | 23,917         | 15.8         | 9,347         | 13.9         |
| ▪ <i>East coast region<sup>(5)</sup></i> | 12,658         | 11.6         | 21,773         | 11.5         | 19,697         | 13.0         | 9,387         | 14.0         |
| <b>East Malaysia</b>                     | <b>6,391</b>   | <b>5.9</b>   | <b>24,894</b>  | <b>13.2</b>  | <b>8,487</b>   | <b>5.6</b>   | <b>7,636</b>  | <b>11.3</b>  |
| ▪ <i>Sarawak</i>                         | 6,391          | 5.9          | 24,894         | 13.2         | 8,487          | 5.6          | 7,636         | 11.3         |
| <b>Sub-total</b>                         | <b>108,004</b> | <b>99.3</b>  | <b>186,609</b> | <b>99.1</b>  | <b>150,499</b> | <b>99.3</b>  | <b>66,714</b> | <b>99.1</b>  |
| <b>Foreign countries<sup>(6)</sup></b>   | <b>775</b>     | <b>0.7</b>   | <b>1,687</b>   | <b>0.9</b>   | <b>1,048</b>   | <b>0.7</b>   | <b>597</b>    | <b>0.9</b>   |
| <b>Total revenue</b>                     | <b>108,779</b> | <b>100.0</b> | <b>188,296</b> | <b>100.0</b> | <b>151,547</b> | <b>100.0</b> | <b>67,311</b> | <b>100.0</b> |

#### Notes:

(1) The above geographical market segmentation is based on the location of our customers and may not represent the location of the end-user customers.

(2) Central region covers Selangor, Negeri Sembilan and Kuala Lumpur. For FYE 2023, it includes sales to a customer in Selangor where the fertilisers are delivered to Sabah.

(3) Southern region covers Johor and Malacca.

(4) Northern region covers Perak, Penang and Kedah.

(5) East coast region covers Pahang, Terengganu and Kelantan.

**7. BUSINESS OVERVIEW (CONT'D)**

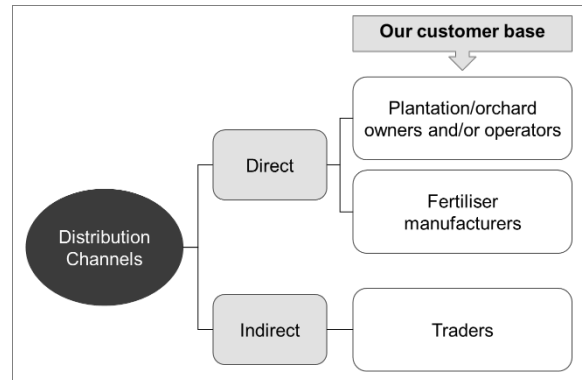
(6) *Foreign countries include Cambodia for the Financial Periods Under Review. For FYE 2023, it also includes Singapore and Sri Lanka and for FPE 2024, it also includes Papua New Guinea.*

**7.1.3.4 Our distribution channels and customer base**

We utilise both direct and indirect distribution channels as follows:

**(i) Direct distribution channel**

We adopt a direct distribution channel where we market and sell our fertilisers directly to end-users without further resale. Customers within our direct distribution channel are mainly owners and/or operators of plantations including oil palm plantations, and orchards, mainly durian orchards. We mainly sell our formulated and blended conventional and specialty fertilisers to plantation/orchard owners and/or operators. Our direct sales to plantation/orchard owners and/or operators enable us to build customer loyalty by understanding and meeting their planting needs and obtaining feedback for our product improvement.



In addition, our customers also include other manufacturers of fertilisers who would either repackage our products under their brands or use it as input materials in their manufacturing process. Sales to fertiliser manufacturers are mainly for our straight fertiliser as input materials under our trading segment, while a small proportion is for our formulated and blended conventional fertilisers.

Customers from the direct distribution channel contributed 68.6%, 57.3%, 54.3% and 48.0% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively.

**(ii) Indirect distribution channel**

We adopt an indirect distribution channel where we sell our products to intermediaries who would resell our products in their original form to end-users. Our indirect distribution channel enables us to use the existing network of these intermediaries to reach a wider number of end-users without expanding our in-house sales personnel and logistic infrastructure.

Sales through indirect distribution channels are made to traders, which include companies and individuals, mainly for our formulated and blended conventional and specialty fertilisers sold under our brands and third-party brands. Customers from indirect distribution channel contributed 31.4%, 42.7%, 45.7% and 52.0% to our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively.

## 7. BUSINESS OVERVIEW (CONT'D)

For the Financial Periods Under Review, our revenue segmentation by distribution channels and type of customers are as follows:

|   | FYE 2021       |              | FYE 2022       |              | FYE 2023       |              | FPE 2024      |              |
|---|----------------|--------------|----------------|--------------|----------------|--------------|---------------|--------------|
|   | RM'000         | %            | RM'000         | %            | RM'000         | %            | RM'000        | %            |
| <b>Direct distribution</b>                                  |                |              |                |              |                |              |               |              |
| ▪ Plantation/orchard owners and/or operators <sup>(1)</sup> | 59,157         | 54.3         | 88,206         | 46.8         | 71,402         | 47.1         | 30,233        | 44.9         |
| ▪ Fertiliser manufacturers                                  | 15,518         | 14.3         | 19,750         | 10.5         | 10,958         | 7.2          | 2,106         | 3.1          |
| <b>Sub-total</b>  | <b>74,675</b>  | <b>68.6</b>  | <b>107,956</b> | <b>57.3</b>  | <b>82,360</b>  | <b>54.3</b>  | <b>32,339</b> | <b>48.0</b>  |
| <b>Indirect distribution</b>                                |                |              |                |              |                |              |               |              |
| ▪ Traders   | 34,104         | 31.4         | 80,340         | 42.7         | 69,187         | 45.7         | 34,972        | 52.0         |
| <b>Sub-total</b>  | <b>34,104</b>  | <b>31.4</b>  | <b>80,340</b>  | <b>42.7</b>  | <b>69,187</b>  | <b>45.7</b>  | <b>34,972</b> | <b>52.0</b>  |
| <b>Total revenue</b>  | <b>108,779</b> | <b>100.0</b> | <b>188,296</b> | <b>100.0</b> | <b>151,547</b> | <b>100.0</b> | <b>67,311</b> | <b>100.0</b> |

**Note:**

- (1) Include mainly plantations such as oil palm plantations as well as orchards such as durian orchards.

### 7.2 MODE OF OPERATION

Typically, the sales of our fertilisers are based on customers' purchase orders. Some of the key information stipulated on the purchase orders include the type of fertilisers, the proportion of various main or key fertilisers (mainly relevant for customised fertilisers), quantity required as well as the method of order fulfilment, namely self-collection or delivery to the designated address. Upon the fulfilment of orders, we will invoice the customers. We do not have any long-term contracts with our customers.

The nature of our products is such that we do not provide any warranty or allow any return of goods. For the Financial Periods Under Review, we have not experienced any material rejections, returns or claims from our customers.

### 7.3 OUR COMPETITIVE STRENGTHS

#### 7.3.1 We offer conventional and specialty fertilisers for product diversity to cater to the different requirements of our customers

We offer both conventional and specialty fertilisers to cater to the different requirements of our customers which allows us to serve a wider customer base for business growth. Our conventional fertilisers are aimed at meeting the common and basic needs of our customers while our specialty fertilisers are aimed at customers who value the benefits of organic matter, biostimulants, microbes and other additives. In FYE 2023, our revenue from the formulation and blending of conventional fertilisers and specialty fertilisers accounted 59.8% (RM90.6 million) and 14.2% (RM21.5 million) of our total revenue for FYE 2023 respectively. In FPE 2024, our revenue from the formulation and blending of conventional fertilisers and specialty fertilisers accounted 60.2% (RM40.5 million) and 15.1% (RM10.2 million) of our total revenue for FPE 2024 respectively.

## 7. BUSINESS OVERVIEW (CONT'D)

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Our conventional fertilisers are mainly targeted at plantations such as oil palm plantations, while our specialty fertilisers are targeted at both orchards and plantations such as durian orchards and oil palm plantations. As such, our portfolio of conventional and specialty fertilisers allows us to better meet certain sectors of the agriculture industry to provide us with business sustainability and growth.

Within specialty fertilisers, we offer a range of semi-organic fertilisers based on our formulation which mainly incorporates approximately 20% of organic matter together with additives comprising biostimulants and microbes. In addition, we offer 1 type of organic fertiliser to meet the requirements of our customers. Our specialty fertilisers also include added biostimulants, microbes and other additives to improve nutrient uptake, stimulate growth, increase plant resilience to adverse environmental factors, improve crop quality, increase oxygen content in the soil and improve water holding capacity of the soil.

In addition, we continue to expand our product range to cater to the various requirements of our customers. Since the commencement of our business in 2018 and up to the LPD, we have 18 standard formulations for conventional fertilisers. As for specialty fertilisers, we have 14 formulations including one formulation for liquid fertiliser which was commercialised in May 2023. Our range of products under both conventional and specialty fertilisers provides us with the opportunity to enlarge our potential market for business growth.

### 7.3.2 We have wide market coverage in Malaysia with two different distribution channels

Malaysia is our main market which accounted for 99.3%, 99.1%, 99.3% and 99.1% of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. For the Financial Periods Under Review, our market coverage in Malaysia includes central, southern, northern and east coast regions of Peninsular as well as Sarawak. Please refer to **Section 7.1.3.3** of this Prospectus for further details on our revenue by geographical markets.

As at the LPD, we have 7 in-house sales and marketing personnel led by our Sales and Technical Director, Leong Fo Seong. Our sales and marketing personnel serve both direct customers and intermediaries namely traders to extend the coverage of our products in the market and this continues to provide us with the platform to sustain and grow our business.

Malaysia is one of the world's major palm oil producers and this would continue to provide us with growth opportunities to serve this sector of the market, which is our main user industry. Please refer to **Section 7.1.3.2** of this Prospectus for further details on our revenue based on user industries. The palm oil industry accounted for 47.6% of the GDP of the total agriculture industry in 2023 (*Source: IMR Report*). In addition, our fertilisers are targeted for use in other sectors such as orchards and this would continue to provide us with the opportunity to enlarge our potential market within the agriculture industry.

In addition, we adopt both direct and indirect distribution channels to market and sell our fertilisers to a wider market. Our direct distribution channel enables us to build customer loyalty by understanding and meeting their planting needs and obtaining feedback for our product improvement. Our indirect distribution channel enables us to use the existing network of intermediaries to reach a wider number of end-users without expanding our in-house sales personnel and logistic infrastructure. For the FYE 2021 to FYE 2023, we have accumulated a customer base ranging between 506 and 575 customers. For the FPE 2024, we have accumulated 420 customers. Please refer to **Section 7.1.3.4** of this Prospectus for further details on our distribution channel and customer base.

## 7. BUSINESS OVERVIEW (CONT'D)

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### 7.3.3 Our product range caters to the various stages of plant development from nursery up to maturity stage to meet the requirements of our customers

We have a range of fertilisers that are formulated to cater to various stages of plant development. The key nutrients required by plants vary throughout the various stages of plant development. For example, a plant at the flowering stage would require P and K fertilisers to facilitate flowering and fruit development. As at the LPD, we have 18 and 14 standard formulations of conventional and specialty fertilisers respectively to meet the nutrient requirements of the plant covering nursery, flowering and maturity stages. In addition, we provide customised formulation based on customers' requirements for the specific stages of plant development. Our range of fertilisers provides us with the opportunity to enlarge our potential market within the agriculture industry for business growth.

### 7.3.4 We have in-house technical expertise to develop formulations to meet various requirements of our customers and target markets

Our conventional and specialty fertilisers are formulated by our in-house technical personnel to meet the requirements of our customers and target markets. As at the LPD, we have developed 18 standard formulas for conventional fertilisers and 14 standard formulas for specialty fertilisers. In addition, we were able to customise formulations to meet the specifications of our customers taking into consideration plant and soil conditions as well as the planting environment to improve plant development, growth and health. We have in-house expertise to formulate fertilisers based on results from foliar and soil analysis which identify the disease or nutrient deficiencies of the plant. Our ability to develop the formulas of our fertilisers allows us to offer a range of fertilisers that are suitable for our target markets such as oil palm plantations and durian orchards to sustain and grow our business.

The formulation is key as they would directly determine the development, growth and health of plants. The success of our business is largely dependent on the efficacy of our formulations in meeting customers' requirements, types of plants, and stages of plant growth as well as taking into consideration, environmental factors such as soil conditions, topology and level of rainfall.

Our technical team is headed by our Sales and Technical Director, Leong Fo Seong who brings with him 38 years of experience in the plantation and fertiliser industries.

### 7.3.5 We market and sell the majority of our fertilisers under our brands which enables us to build brand loyalty and market visibility

We market and sell our products using our brands "Cropmate-Dua Daun" and "Cropmate-Kincir Angin", and sub-brand "CM Miracle". Since 2018, our brands have made inroads into the market where fertilisers sold under our brand accounted for 62.8% (RM68.3 million), 67.6% (RM127.3 million), 71.3% (RM108.0 million) and 73.0% (RM49.1 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. Please refer to **Section 7.1.3.1** of this Prospectus for further details on revenue segmentation by brands.

Having our brands enables us to build brand equity, increase brand awareness in the market as well as cultivate brand loyalty among our existing and potential customers.



## 7. BUSINESS OVERVIEW (CONT'D)

For the Financial Periods Under Review, our revenue by brands is as follows:

|  | FYE 2021      |             | FYE 2022       |             | FYE 2023       |             | FPE 2024      |             |
|--|---------------|-------------|----------------|-------------|----------------|-------------|---------------|-------------|
|  | RM'000        | %           | RM'000         | %           | RM'000         | %           | RM'000        | %           |
| <b>Conventional fertilisers<br/>(main brand)<sup>(1)</sup></b> |               |             |                |             |                |             |               |             |
| ▪ Cropmate – Dua Daun <sup>(2)</sup>                           | 62,951        | 57.9        | 108,055        | 57.4        | 85,623         | 56.5        | 38,607        | 57.4        |
| ▪ Cropmate – Kincir Angin                                      | 1,160         | 1.1         | 1,261          | 0.7         | 834            | 0.6         | 371           | 0.5         |
| <b>Specialty fertilisers<br/>(sub-brand)</b>                   |               |             |                |             |                |             |               |             |
| ▪ CM Miracle   | 4,183         | 3.8         | 17,947         | 9.5         | 21,522         | 14.2        | 10,173        | 15.1        |
| <b>Total</b>   | <b>68,294</b> | <b>62.8</b> | <b>127,263</b> | <b>67.6</b> | <b>107,979</b> | <b>71.3</b> | <b>49,151</b> | <b>73.0</b> |

### Notes:

- (1) Exclude conventional fertilisers sold under third-party brands.
- (2) Include 1 organic fertiliser from the trading segment which was sold under Cropmate – Dua Daun brand, which accounted for less than 0.1% of our total revenue for the respective Financial Periods Under Review.

### 7.3.6 We have a large customer base from diversified sectors to reduce customer and sector dependency

We serve customers from diversified sectors including end-users of our fertilisers such as plantation/orchard owners and/or operators, fertiliser manufacturers as well as intermediaries namely traders. Serving customers from diversified sectors enables us to expand our market reach to a wider customer base.

Our revenue derived from the plantation and orchard sectors collectively accounted for 44.9% (RM30.2 million) of our total revenue in FPE 2024 with a customer base of 275 customers. We also supply our fertilisers to traders and fertiliser manufacturers where our revenue from these two sectors collectively accounted for 55.1% (RM37.1 million) of our total revenue in FPE 2024 with a customer base of 145 customers. Please refer to **Section 7.1.3.2** of this Prospectus for further details on customer base. The large customer base from diversified sectors will help sustain and grow our business.

### 7.3.7 We have experienced directors and a management team to grow our business

We have experienced directors and a management team to grow our business. Our Group Managing Director, Lee Chin Yok is responsible for charting the company's strategic direction and the growth of our Group with over 40 years of experience in the fertiliser industry. Our Executive Director, Lee Cheng Seng is primarily responsible for overseeing the production of our Group while our Executive Director, Lee Cheng Fei is primarily responsible for overseeing the business operations of our Group. Both Lee Cheng Seng and Lee Cheng Fei bring with them 16 and 6 years of experience respectively in the fertiliser industry. Our Directors are supported by our key senior management as follows:

- (i) Leong Fo Seong, our Sales and Technical Director has over 38 years of experience in the plantation and fertiliser industries;
- (ii) Ian Siah Jun Ren, our Financial Controller has 11 years of experience in accounting and finance-related matters;

## 7. BUSINESS OVERVIEW (CONT'D)

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- (iii) Lim Kee Choy, our Regional Head of Sales has 35 years of experience in the fertiliser industry; and
- (iv) Teow Kooi Thong, our Factory Manager has 34 years of experience in the fertiliser industry.

For further information on the profiles of our directors and management team, please refer to **Sections 5.2.2 and 5.4.3** of this Prospectus.

### 7.4 OUR PRODUCTS AND OPERATIONS

#### 7.4.1 Formulation and blending of fertilisers

##### 7.4.1.1 Revenue segmentation

The formulation and blending segment is our major revenue contributor which accounted for 70.1%, 73.1%, 74.0% and 75.3% of our total revenue for the FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. Our formulation and blending segment comprises conventional and specialty fertilisers.

Our conventional fertilisers comprise 2 subsegments namely:

- (i) compacted fertilisers which are physically mixed straight fertilisers in powder form and subsequently compacted into granular form; and
- (ii) blended fertilisers which are physically mixed straight fertilisers in their original purchased granular or powder form.

Our specialty fertilisers comprise 3 subsegments namely:

- (i) semi-organic fertilisers which combine inorganic fertilisers and organic matter, biostimulants, microbes and other additives, comprising 20% by weight of organic matter in each package (in granular form);
- (ii) organic fertiliser which combines mainly organic matter, added biostimulants, added microbes (in powder form) and a small proportion of inorganic fertilisers; and
- (iii) liquid fertilisers which comprise several inorganic soluble fertilisers.

*[The rest of this page has been intentionally left blank]*

## 7. BUSINESS OVERVIEW (CONT'D)

For the Financial Periods Under Review, our revenue segmentation for the formulation and blending segment is as follows:

| Formulation and blending segment              | FYE 2021      |             | FYE 2022       |             | FYE 2023       |             | FPE 2024      |             |
|---|---------------|-------------|----------------|-------------|----------------|-------------|---------------|-------------|
|   | RM'000        | %           | RM'000         | %           | RM'000         | %           | RM'000        | %           |
| <b>Conventional fertilisers</b>               |               |             |                |             |                |             |               |             |
| ▪ Compacted                                   | 47,134        | 43.3        | 83,045         | 44.1        | 65,711         | 43.4        | 28,421        | 42.2        |
| ▪ Blended                                     | 24,929        | 22.9        | 36,646         | 19.5        | 24,871         | 16.4        | 12,102        | 18.0        |
|   | <b>72,063</b> | <b>66.2</b> | <b>119,691</b> | <b>63.6</b> | <b>90,582</b>  | <b>59.8</b> | <b>40,523</b> | <b>60.2</b> |
| <b>Specialty fertilisers</b>                  |               |             |                |             |                |             |               |             |
| ▪ Semi-organic <sup>(1)</sup>                 | 3,881         | 3.6         | 17,456         | 9.3         | 20,743         | 13.7        | 9,834         | 14.6        |
| ▪ Organic                                     | 302           | 0.3         | 491            | 0.2         | 727            | 0.5         | 291           | 0.4         |
| ▪ Liquid                                      | -             | -           | -              | -           | 52             | *           | 48            | 0.1         |
|   | <b>4,183</b>  | <b>3.9</b>  | <b>17,947</b>  | <b>9.5</b>  | <b>21,522</b>  | <b>14.2</b> | <b>10,173</b> | <b>15.1</b> |
| <b>Total formulation and blending revenue</b> | <b>76,246</b> | <b>70.1</b> | <b>137,638</b> | <b>73.1</b> | <b>112,104</b> | <b>74.0</b> | <b>50,696</b> | <b>75.3</b> |

**Note:**

(1) Represents mainly 20% organic matter by weight.

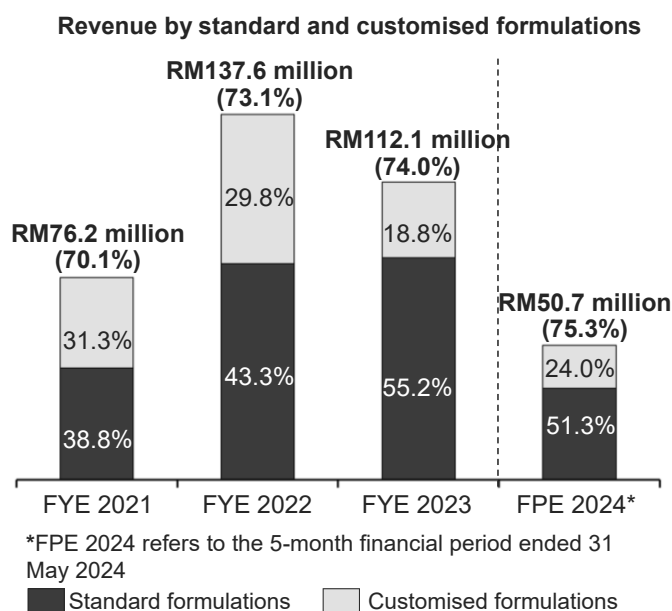
\* Less than 0.1%.

### 7.4.1.2 Types of formulations

We provide our customers with fertilisers based on our standard formulations as well as customised formulations to meet the requirements of our customers.

We developed a range of standard formulations to meet the common requirements for various agricultural applications. Standard formulations are produced to stock as well as to meet purchase orders while customised formulations are produced based on purchase orders only.

As at the LPD, we have developed 18 standard formulas for conventional fertilisers and 14 standard formulas for specialty fertilisers.



**Note:** Percentages are proportion to total revenue.

The customised formulations are either specified by the customer or we will assist in formulating them based on the plant and soil conditions as well as the planting environment.

## 7. BUSINESS OVERVIEW (CONT'D)

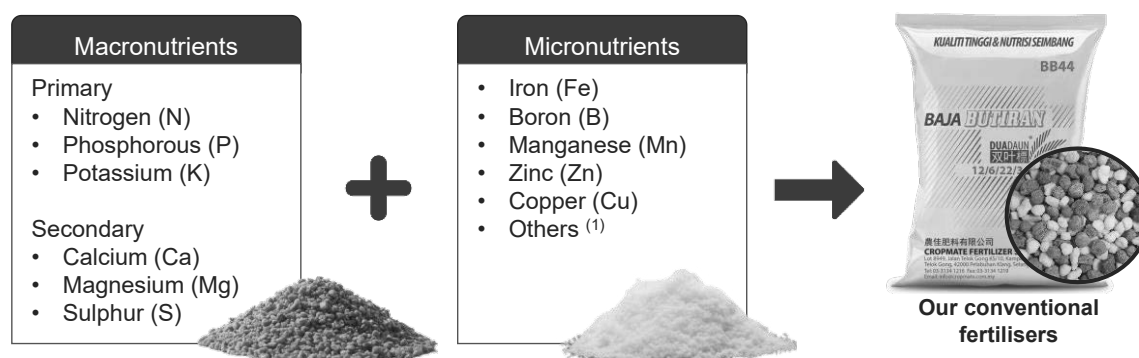
In situations where we are requested by the customer to develop a formulation specific to its plant and soil conditions as well as the planting environment, we will conduct site visits of the planted area to collect soil and leaf (foliar) samples for testing and analysis by third-party laboratories. Based on the results obtained from the testing and analysis, we will develop a suitable formulation for the plants.

Sales of our conventional and specialty fertilisers based on our standard formulations accounted for 38.8% (RM42.2 million), 43.3% (RM81.5 million), 55.2% (RM83.7 million) and 51.3% (RM34.5 million) for FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively.

Sales of fertilisers based on our customised formulations accounted for 31.3% (RM34.0 million), 29.8% (RM56.2 million), 18.8% (RM28.4 million) and 24.0% (RM16.2 million) of our total revenue for FYE 2021, FYE 2022, FYE 2023 and FPE 2024 respectively. For the Financial Periods Under Review, all our customised formulations were for conventional fertilisers.

### 7.4.1.3 Conventional Fertilisers

Our conventional fertilisers comprise various combinations of minerals and chemical macronutrients and micronutrients as follows:



(1) Includes molybdenum (Mo), chlorine (Cl) and silicon (Si).

All of our conventional fertilisers are compounded fertilisers meaning they contain two or more types of nutrients comprising macronutrients and/or micronutrients. We have conventional fertilisers which are based on our formulations. Each formulation is designed for certain environmental conditions and plant objectives such as to maximise fruiting of matured oil palms in certain soil conditions. In addition, we provide customised formulations based on customers' requirements.

Fertiliser formulations are designed to address the nutritional requirements of plants for development, growth and health as well as to maximise the yield of the plant. Macronutrients are nutrients that are required in relatively larger quantities compared to micronutrients. Macronutrients are essential for plant growth, health and yield of the plant. Micronutrients are needed in smaller quantities. Micronutrients facilitate and speed up plant development and growth, as well as promote plant health.

## 7. BUSINESS OVERVIEW (CONT'D)

Each combination and grade of macronutrients and micronutrients are considered one formulation. Grades refer to the minimum percentages of N, P and K by weight relative to the total package weight. Nutrients in our conventional fertilisers are readily available for uptake by the plants upon application.

All of our conventional fertilisers are blended in our production facility in Klang, Selangor and are mainly sold to customers in Malaysia targeted at various agricultural sectors including oil palm plantations.

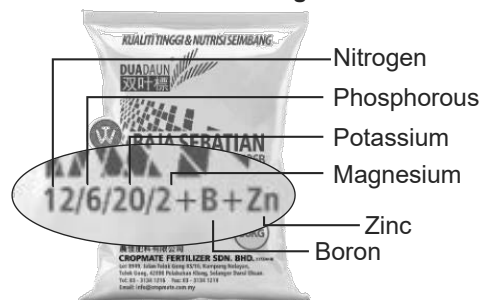
Our conventional fertilisers can be broadly categorised as follows:

- (i) compacted; and
- (ii) blended.

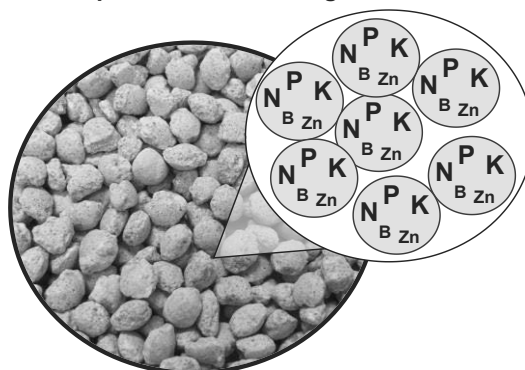
### (i) **Compacted fertilisers**

Our compacted fertilisers are in granule form where each granule contains the combined approximate formulation of macronutrients and micronutrients. Our input materials for compacted fertilisers are in powder form where the required proportion of the nutrients is then fed into a mixer. The mixed nutrients are then fed into a compactor which will compress the powder mixture into granular form, which is subsequently screened using a sieve to obtain the desired shape and size.

**Fertiliser grades**



**Compacted fertilisers in granular form**



We use the dry compaction method which saves on energy costs compared to the wet compaction method. The dry compaction process does not require dryers or binders to bind the particles together to form the granules, thus requiring less equipment resulting in lower capital investment.

Some of the key advantages of compacted fertilisers are as follows:

- (i) **Uniform distribution of nutrients** as each granule of compacted fertilisers has approximately similar composition and proportion by weight of nutrients according to the formulation. Non-compacted fertilisers have the potential of nutrient segregation during handling, storage, transportation and application, as well as the different reactions of each fertiliser with the environment such as moisture.
- (ii) **Abrasion resistant** characteristics of compacted fertilisers help to retain their granular shape or form during handling, transportation, storage and application process. The abrasion-resistant characteristic of compacted fertilisers also minimises loss of the fertiliser during application compared to powder form.
- (iii) **Lower rate of leaching** compared to powder form fertilisers as the larger size of each granule results in a slower rate of dissolving into the soil, which will subsequently lower the rate of leaching by rain, run-offs or irrigation.

7. BUSINESS OVERVIEW (CONT'D)

Our compacted fertilisers are formulated in-house and are mainly targeted for application in plantations including oil palm plantations. In addition, we provide customised formulations of our compacted fertilisers based on customers' requirements. Our compacted fertilisers are sold in 50 kg bags.

As at the LPD, we have developed 12 standard formulas under our range of compacted fertilisers. Our compacted fertilisers are mainly marketed under our principal brand of "Cropmate – Dua Daun" and they are as follows:



Brand : Dua Daun  
 Product Name : CM 44B  
 Formulation : 12/6/22/3\*+TE  
 Main application : Fruiting stage of plant



Brand : Dua Daun  
 Product Name : CM 45B  
 Formulation : 12/12/17/2\*+8S+TE  
 Main application : Fruiting stage of plant



Brand : Dua Daun  
 Product Name : CM 55B  
 Formulation : 15/15/6/4\*+TE  
 Main application : Nursery stage of plant



Brand : Dua Daun  
 Product Name : CM 65B  
 Formulation : 15/15/15\*+8S+TE  
 Main application : Nursery stage of plant

7. BUSINESS OVERVIEW (CONT'D)



Brand name : Dua Daun  
 Product Name : CM 126B  
 Formulation : 12/6/20/2\*+B+Zn  
 Main application : Fruiting stage of plant



Brand name : Dua Daun  
 Product Name : CM 136B  
 Formulation : 13/6/23/3\*+B+Zn  
 Main application : Fruiting stage of plant



Brand name : Dua Daun  
 Product Name : CM 125B  
 Formulation : 10/4/25/4\*+0.5B  
 Main application : Fruiting stage of plant



Brand name : Dua Daun  
 Product Name : CM NK  
 Formulation : 10.5/0/30\*  
 Main application : Fruiting stage of matured plant



Brand name : Dua Daun  
 Product Name : CM 123  
 Formulation : 10/5/22/3\*+TE  
 Main application : Fruiting stage of plant



Brand name : Dua Daun  
 Product Name : CM 105  
 Formulation : 10/5/20/2\*  
 Main application : Fruiting stage of plant

7. BUSINESS OVERVIEW (CONT'D)



Brand name : Dua Daun  
 Product Name : CM 1022  
 Formulation : 10/4/22/3\*+TE  
 (EDTA)+Azomite  
 Main application : Fruiting stage of plant



Brand name : Dua Daun  
 Product Name : Max K Special  
 Formulation : 13/6/27/3 + B + S + AA +  
 Azomite  
 Main application : Fruiting stage of plant

\* The numbers refer to the proportion by weight for primary and secondary macronutrients respectively.

TE = trace element

(ii) Blended fertilisers

Our blended fertilisers contain mainly straight fertilisers plus secondary macronutrients and micronutrients that are blended according to the required formulation. The input materials can either be in powder or granule form, and the output will be in the respective powder or granule form. We use the dry method for our blending process.

The key problem associated with blended fertilisers in granular form is the different sizes of nutrients in granules, as smaller nutrient granules tend to settle to the bottom of the packaging when they are subjected to movements caused by handling, storage, transportation and application.

This will lead to uneven distribution of various nutrients when applied to the soil which may result in some areas of the soil being over-represented or under-represented by certain nutrients. This uneven distribution of nutrients would affect the fertiliser formulation designed to achieve certain objectives based on the measured proportion of the mixture of nutrients in the fertilisers.

To prevent the uneven distribution of nutrients, we use a sieve for our input materials to obtain the approximate size granules of nutrients before blending them in our mixer according to the required formulation. The approximate size of the granules will minimise segregation problems.

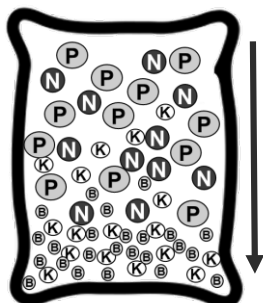
Mixer used for blending of fertilisers





7. BUSINESS OVERVIEW (CONT'D)

The illustration below is applicable for blended fertiliser in granular form:



**Uneven distribution of nutrients** due to different granule or powder size and shapes of fertilisers. Smaller granules tend to settle to the bottom of the bag during handling, storage, transportation and application.



**Even distribution of nutrients** if the granules are of approximate equal size and shape.

Our blended fertilisers are formulated in-house and are mainly targeted for application in plantations including oil palm plantations. In addition, we provide customised formulation of our blended fertilisers based on customers' requirements. Our blended fertilisers with customised formulations are mainly in powder form. Our blended fertilisers are available in 50 kg bags.

As at the LPD, we have developed 6 standard formulas under our range of blended fertilisers. Our blended fertilisers with standard formulas are in granular form and mainly marketed under the brand of "Cropmate-Dua Daun" as follows:



Brand name : Dua Daun  
 Product name : BB 44  
 Formulation : 12/6/22/3\*+B  
 Main application : Fruiting stage of plant



Brand name : Dua Daun  
 Product name : BB 45  
 Formulation : 12/12/17/2\*+B  
 Main application : Plants with phosphate deficiency



Brand name : Dua Daun  
 Product name : BB 88  
 Formulation : 13/10/21/2\*+B+TE  
 Main application : Fruiting stage of plant



Brand name : Dua Daun  
 Product name : BB 136  
 Formulation : 13/6/23/3\*+B  
 Main application : Fruiting stage of plant